



Daily Report

China

FBIS-CHI-91-235
Friday
6 December 1991

Daily Report

China

FBIS-CHI-91-235

CONTENTS

6 December 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Government Prepared To Join Copyright Convention [AFP]	1
Year-End Report Praises Diplomatic Achievements [XINHUA]	1
'Year-Enders' Reviews Global Economic Disparity [XINHUA]	2
'Roundup' Reviews Difficulties in Mideast Talks [XINHUA]	3
Column Reviews Background to Mideast Peace Talks [RENMIN RIBAO OVERSEAS EDITION 25 Nov]	4
Post-Cold War U.S.-European-Japanese Ties Viewed [SHIJIE ZHISHI 1 Nov]	5

United States & Canada

PRC To Send Buying Missions to U.S. Next Year [Hong Kong CHING CHI TAO PAO 2 Dec]	8
Dignitaries Attend Ceremony Marking Computer Gift [XINHUA]	8
China-Canada Dry Land Agriculture Project Begins [HEBEI RIABAO 16 Oct]	9

Soviet Union

Repercussions of Ukraine Independence Viewed [XINHUA]	9
Ukraine's Kravchuk Takes Oath, Outlines Policies [XINHUA]	10
Ukraine Declares Soviet Connection Invalid [XINHUA]	10

Northeast Asia

Tian Jiyun Continues Official Meetings in Japan	10
Holds Talks With Watanabe [XINHUA]	10
Congratulates Miyazawa on Premiership [Beijing International]	11
Discusses Reform, Technical Aid [Beijing International]	11
Watanabe To Visit China in Jan [XINHUA]	11
Comparison on Li Peng Meeting Japanese Speaker	12
DPRK Film Delegation Meets State Council Member [Beijing International]	12

Southeast Asia & Pacific

Spokesman Says Qian Qichen To Visit Cambodia [AFP]	12
Commentary Terms Cambodian Peace 'Irreversible' [XINHUA]	12
Australian Minister Hails Upcoming Trade Talks [XINHUA]	13
Chinese High Technology Exhibit Opens in Bangkok [XINHUA]	13
Jilin Delegation Returns From Thailand Visit [Changchun Radio]	13
Vice Premier Zhu Rongji Meets Indonesian Guests [XINHUA]	14

Near East & South Asia

Further Reportage on Pakistani Envoy Visit	14
China To Attend Nuclear Meetings [ZHONGGUO XINWEN SHE]	14
Akram Zaki Meets Qian Qichen [Islamabad Radio]	14
Shanghai's Wu Bangguo Briefs Visiting Tunisians [Shanghai Radio]	14
Delegation Discusses Family Planning in Bangladesh [XINHUA]	14
Science, Technology Delegation Departs Bangladesh [XINHUA]	15

East Europe

Czechoslovak Premier, Delegation Continue Visit	15
Not To Give Beijing Prisoner List [Prague Radio]	15
Visits Shanghai, Joint Venture [XINHUA]	15
XINHUA Reports Demonstrations in Poland	15
Ambassador To Bulgaria Presents Credentials [XINHUA]	16

NATIONAL AFFAIRS

Political & Social

Student Dissident Li Minqi Goes on Trial [AFP]	17
State Council Executive Meeting Discusses S&T [XINHUA]	17
Deng Orders Relaxation on 'Peaceful Evolution' [Hong Kong THE STANDARD 6 Dec]	18
Deng Liqun Said To Hail 'Mao Zedong Craze' [Hong Kong MING PAO 6 Dec]	18
Article Discusses He Jingzhi, Wang Meng [Hong Kong CHENG MING 1 Dec]	18
Article on Carrying Out Party's Line [RENMIN RIBAO 25 Nov]	21
Religious Leaders Discuss Human Rights Issue [Hong Kong LIAOWANG OVERSEAS EDITION 25 Nov]	22
NPC Adviser on Protecting Minors' Rights [XINHUA]	24
Identity Card System Operating Nationwide [XINHUA]	25
Qiao Shi Meets Units, Workers [XINHUA]	25
Procurators Discuss Draft of Anti-Graft Law [XINHUA]	25
Railway Police Crack Down on Theft, Drugs [Beijing TV]	26
Labor Reform Institutions Improve Medical Care [ZHONGGUO TONGXUN SHE]	26
Academic Lauds Returned Intellectuals [RENMIN RIBAO OVERSEAS EDITION 20 Nov]	26
Scholars Urge Study of Famous Tang Buddhist [XINHUA]	27
Qian Qichen Inscribes Name for Coin Show [XINHUA]	28
Nie Rongzhen Inscribes for Calligraphy College [XINHUA]	28
Bookstore Capital Branch Fetes Fifth Anniversary [XINHUA]	28

Science & Technology

Wan Li, Zou Jiahua Laud Shenzhen Inventor [Beijing Radio]	29
Li Tieying, Others View New Photography Technique [XINHUA]	29
Zou Jiahua Urges Rapid Application of Computers [XINHUA]	29
Technology Seen As 'Major Impetus' of Growth [CHINA DAILY 4 Dec]	29
Article Views Domestic Nuclear Power Industry [XINHUA]	30
Uranium Deposits Discovered [XINHUA]	31
Minister Vows To Clean Up Coal Industry Output [CHINA DAILY 3 Dec]	31
Official on Fight Against Energy Pollution [CHINA DAILY 3 Dec]	32
Spokesman on Space Test Technology, Launches [XINHUA]	33
Commentary Urges Leaders To Concentrate on Science [GUANGMING RIBAO 18 Nov]	33
Article on Science, Technology as Productive Force [RENMIN RIBAO 22 Nov]	34

Economic & Agricultural

Li Peng Gives Speech on Shenzhen Development [Hong Kong TZU CHING 5 Dec]	37
Zhu Rongji Views Establishing Enterprise Groups [Hong Kong CHING CHI TAO PAO 25 Nov] ..	39
Zou Jiahua Stresses Minerals Management [XINHUA]	39
Minister on Promoting Mining [XINHUA]	40
Zou Jiahua Congratulates Shaanxi Project [XINHUA]	41
Li Guixian on Reform of Financial System [QIUSHI 16 Oct]	41
Shanghai Mayor on Enlivening State Enterprises [Hong Kong LIAOWANG OVERSEAS EDITION 11 Nov]	45
Official Stresses Circulation Structure Reform [Hong Kong CHING CHI TAO PAO 2 Dec]	47
Finance Ministry Rules on Joint Venture Profits [Hong Kong CHING CHI TAO PAO 2 Dec]	47
Special Economic Zones Enjoy 'Rapid Growth' [XINHUA]	48
Automated System Facilitates Securities Trading [XINHUA]	48
State Council Circular Reviews Grain Production [XINHUA]	48

REGIONAL AFFAIRS

East Region

Lu Rongjing Relays Central Committee Guidelines [Hefei Radio]	50
Shandong Improves Farm Efficiency Through Science [XINHUA]	50
Japanese Company Wins Land Use Rights in Pudong [XINHUA]	51
Chiang Kai-shek's Zhejiang Home Draws Tourists [XINHUA]	51

Central-South Region

New Guangzhou Secretary Vows To 'Remain Modest' [Guangzhou Radio]	51
Further on Guangdong Leadership [Hong Kong THE STANDARD 6 Dec]	51
Deng Hongxun Cuts Ribbon at Trade Fair Opening [Haikou Radio]	52
Commentary Hails Trade Fair [Haikou Radio]	52
Liu Jianfeng Welcomes Malaysian Entrepreneurs [Haikou Radio]	53
Inspects Farm Products Fair [Haikou Radio]	53
Li Changchun Visits Drought-Stricken Areas [Zhengzhou Radio]	53
Antipollution Project on Hubei Lake Approved [XINHUA]	54

North Region

'Courageous Citizens' To Be Selected in Beijing [XINHUA]	54
Beijing Designs Villages To Conserve Arable Land [XINHUA]	54
Xing Chongzhi at Opening of S&T Congress 14 Oct [HEBEI RIBAO 14 Oct]	54
Congress Concludes [HEBEI RIBAO 16 Oct]	55
Bu He Article Views Development of Industry [NEIMENGGU RIBAO 9 Oct]	56

Northeast Region

He Zhukang Interviewed on Agricultural, Rural Work	62
Part Three of Interview [Changchun Radio]	62
Part Four of Interview [Changchun Radio]	63
He Zhukang Inspects Party Building in Rural Areas [Changchun Radio]	63
Chairs Meeting on Plenum Guidelines [Changchun Radio]	64
Relays Jiang Zemin's Speech [Changchun Radio]	65
Quan Shuren Inspects Enterprises in Yingkou [LIAONING RIBAO 15 Oct]	65
Individual Peddlers Play 'Important Role' [XINHUA]	66

Northwest Region

Gansu Discounts Rumors of Grain, Oil Shortage [Lanzhou Radio]	66
Xinjiang Official Views Plenum Guidelines [Urumqi TV]	66

PRC MEDIA ON TAIWAN AFFAIRS

Independence 'Elements' 'Act of Betrayal' Viewed [Hong Kong LIAOWANG OVERSEAS EDITION 25 Nov]	68
--	----

TAIWAN

DPP May Mortgage Headquarters for Election Funds [Taipei International]	69
Further on Election Funding [AFP]	69
MAC Chairman Denounces Mainland 'Three Links' [CNA]	69
Minister on 'Retroggression' of Japan Trade Ties [CNA]	69
Economic, Food Aid Considered for Russia, Ukraine [Taipei Radio]	70
KMT Members To Attend Russia Party Convention [CNA]	70
Canadian Trade Official Arrives for Seminar [CNA]	71
Chien To Attend Upcoming Central American Summit [CNA]	71
Department Orders AIDS Tests Before Marriage [CNA]	71

HONG KONG & MACAO

Hong Kong

Editorials on Legco Rejection of Court Agreement	72
Council 'Cannot Be Ignored' [<i>SOUTH CHINA MORNING POST</i> 6 Dec]	72
Legco 'Only Making a Show' [<i>WEN WEI PO</i> 6 Dec]	72
UK Businessmen Say 'Confidence Is Increasing' [<i>XINHUA</i>]	73

Macao

Basic Law Drafting Committee Solicits Opinions [<i>XINHUA</i>]	74
--	----

General

Government Prepared To Join Copyright Convention

HK0612103091 Hong Kong AFP in English 1024 GMT
6 Dec 91

[Text] Hong Kong, Dec 6 (AFP)—China is prepared to join the Berne Convention, an international body on copyright, early next year, a U.S. business official who returned from a four-day trip to Beijing said here Friday.

American Chamber of Commerce president Warren Williams told reporters that Chinese leaders had assured him that Beijing would join the body before June 1. This has been the most specific confirmation by Chinese authorities on the issue, Williams said.

"The fact that China will agree to join the Berne Convention is quite encouraging and is a major step forward," he said, adding Beijing had pledged to take all steps to protect international property rights in China.

China, accused by the West of maintaining a poor record in protecting international property rights, has been reluctant to join the convention and abide by its rules.

Williams, who held extensive talks with Chinese leaders in Beijing on the Sino-U.S. copyright dispute, urged China to settle the issue before the 1992 U.S. presidential elections.

The United States has threatened to retaliate for China's alleged lack of protection for U.S. property rights following the failed bilateral talks last week.

"It is absolutely necessary to have the issue resolved fast and quickly... right now the U.S. president is in control of policy to China but his role is increasingly challenged by members of the Congress who disagree with the way he is managing the relationship," Williams said.

He warned that these issues would not be resolved rationally if solutions were not worked out by both sides before April or May next year.

Year-End Report Praises Diplomatic Achievements

OW0612065291 Beijing XINHUA Domestic Service
in Chinese 2134 GMT 5 Dec 91

["Year-end Report: China Makes Major Diplomatic Achievements in 1991 (by reporters Chen Xiaochun (7115 2556 2504) and Chen Wenying (7115 2429 5391))"—XINHUA headline]

[Text] Beijing, 6 December (XINHUA)—The year 1991 is about to pass. Over the past year, while the international situation has been ever changeable and turbulent, China has continued to uphold its independent foreign policy of peace and has continued to develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence, gaining new advances and major achievements on the diplomatic front.

China has been very active diplomatically during the past year. In the spirit of preserving world peace and promoting common development, China has strived to broaden the scope of its diplomatic work, has worked positively, and has strengthened its friendly contacts with all countries. According to statistics, heads of state or governments of 38 countries and parliamentary speakers, ministers, or well-known statesmen of nearly 60 countries have led important delegations to visit China during the past year. During the same period, Chinese leaders visited 57 countries in Asia, Africa, Latin America, Europe, and Oceania. Strengthened friendly contacts and cooperation between China and all countries have played a positive role in preserving world peace and stability and in promoting common development.

Developing neighborly and friendly relations with China's neighboring countries is an important part of China's independent foreign policy of peace. Chinese leaders and leaders of China's neighboring countries frequently exchanged visits this year. The prime ministers of Bangladesh, Pakistan, and Thailand, the president of Singapore, the premier of Laos, the paramount ruler of Malaysia, and the leaders of other neighboring countries have visited China this year. During the same period, President Yang Shangkun visited Indonesia, Thailand, Mongolia, Pakistan, and Iran. These friendly contacts have further strengthened and developed China's traditional friendship and cooperative relations with these countries. Premier Li Peng's visit to the DPRK and DPRK President Kim Il-sung's visit to China have enabled Sino-Korean friendship and cooperation to further develop. General Secretary Jiang Zemin's visit to the Soviet Union has further developed the traditional friendship and neighborly, friendly relations between the two countries. A high-level Vietnamese delegation's formal visit to China in early November marks the normalization of relations between the two countries. Premier Li Peng's upcoming visit to India will be the first visit to the major South Asian country by a head of the Chinese Government in 31 years. The visit will definitely make positive contributions to promoting Sino-Indian relations and to ensuring peace and stability in Asia. At the same time, China's friendly and cooperative relations with ASEAN countries have entered a new stage of full-fledged development. Foreign Minister Qian Qichen attended the opening ceremony of the 24th ASEAN Foreign Ministers Conference—China's first official contact with ASEAN. This marks the beginning of the dialogue relations between China and ASEAN. China established diplomatic relations with Brunei in October. China also for the first time participated in the ministerial meeting of the Asia-Pacific Economic Cooperation Council; this is conducive to the healthy and balanced development of economic cooperation in the Asia-Pacific region. All this demonstrates that China's relations with neighboring countries are currently on their firmest footing since the People's Republic was founded.

As a developing country, China has always been devoted to enhancing friendly and cooperative relations with Third World countries as a mainstay of its foreign policy, and as always, has supported Third World countries' just

causes and legitimate rights and interests. China's position has won the applause of the vast numbers of Third World countries.

High-level contacts between China and Third World countries have been very frequent this year. Leaders of nearly 30 countries, including presidents of Peru, Botswana, and Gabon, the Mauritian prime minister, and leaders of the aforementioned neighboring countries, visited China this year. During the same period, Chinese leaders visited more than 40 developing nations. These visits were highlighted by Premier Li Peng's visit to six Gulf nations in the Middle East. Through the exchange of visits, mutual understanding, friendship, unity, and cooperation between China and Third World countries have been enhanced.

Traditional friendship exists between China and the people of East European countries. China respects the East European peoples' choosing of their own development paths. Foreign Minister Qian Qichen visited Poland, Bulgaria, Hungary, Czechoslovakia, and Romania this year; and the Romanian president, the Czechoslovak premier, and the Albanian and Polish foreign ministers also visited China this year. The exchange of visits has enhanced mutual understanding between the people of China and East European countries, and have accelerated the development of friendly and cooperative relations between the two sides. In September, China established diplomatic relations with newly independent Estonia, Latvia, and Lithuania.

China attaches importance to its relations with Western countries. Thanks to their common efforts, China's relations with Japan and West European countries have been or are being fully restored and are developing steadily. The Japanese prime minister, British prime minister, Italian prime minister, French foreign minister, and German economic minister all visited China this year; and Chinese leaders visited 10 West European countries, including Britain and France. China has always attached great importance to its relations with the United States. U.S. Secretary of State Baker's recent visit to China has enhanced the two countries' mutual understanding and will contribute to the restoration and development of Sino-U.S. relations.

As a permanent member of the UN Security Council, China has made its contribution to preserving world peace and security and to bringing about just and reasonable solutions to regional conflicts. The signing of the Cambodian Peace Agreement is a result of the common efforts of the international community and the four parties of Cambodia. China has made positive contributions to bringing about a political solution to the Cambodian problem. China's stand opposing aggression and upholding justice during the Gulf crisis was approved and applauded by the international community. The Chinese Government's decision to accede to the Nuclear Non-Proliferation Treaty also has drawn the international community's attention and has won favorable comments from around the world.

As the previous international system is being replaced by another, global attention has focused on the kind of new international political and economic order we should build. China maintains that a new international order should be based on the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, mutual non-interference in one another's internal affairs, equality and mutual benefits, and peaceful coexistence. International economic relations also should reflect the principle of equality and mutual benefits. Many countries have attached importance and have given support to China's position. China is willing to join other countries in making new efforts to effect the establishment of a just and reasonable new international order, to ensure world peace, and to promote common development.

'Year-End' Reviews Global Economic Disparity

OW0412135891 Beijing XINHUA in English
1314 GMT 4 Dec 91

["'Year-End: Narrower World Economic Disparity Needs Joint Efforts (by Zhang Xichun)"]—XINHUA headline]

[Text] Beijing, December 4 (XINHUA)—The passing year has witnessed wider economic disparity between the North and South, and people see little hope of closing the enlarging gap in the coming year.

If this trend goes on unchecked, it will inevitably arrest the sustained growth of the world economy, engender unrest and menace world peace and stability. The international community therefore needs to join hands to take effective measures to stop it.

The developing countries have made painstaking efforts for their economic growth, with the result, however, not quite to their satisfaction. The existing world economic order has seriously attenuated their efforts and hindered their development.

The developing countries had a rough time in the 1980's. In that decade many of the countries adjusted their macro-economic policies in an attempt to create favorable conditions for growth. However, under the impact of the worsening world economy as a whole, they were not only unable to keep pace with the developed countries in growth, but saw the disparity with the latter further widening.

World Bank statistics showed that during the 1980s, the real yearly increase in per capita gross domestic product (GDP) was only 1.6 percent for the developing world, which was much lower than the rate for the developed countries, which stood at 2.3 percent. The African countries to the south of Sahara and the Latin American countries even suffered a drop of 1.2 percent and 0.4 percent respectively.

In the mid-1980s, one third of the population of the developing countries, or about one billion people, were living in poverty, according to the statistics.

The World Bank predicted that the world economy in the 1990's would grow faster than in the past decade, and the real yearly GDP increase could reach 4.9 percent for developing countries.

However, the new decade began with economic recessions taking place in major Western countries such as the United States, Britain and Canada, to be followed by the Gulf War and an extension to the scope of the world economic stagnation. All this made many developing countries suffer more.

According to a report released by the International Monetary Fund in May, the developing countries' GDP in real terms increased by only 0.6 percent in 1990, and is estimated to go up by 0.8 percent this year. Both rates are far lower than what the World Bank projected, and what the industrialized countries achieved in 1990 (2.5 percent), and are expected to achieve in 1991 (1.2 percent).

The developing countries will continue to face a rigorous external economic environment in the 1990s. They are likely to encounter the following difficulties:

- with economic growths remaining slow in Western countries, markets will not improve much for the primary products of developing countries,
- growing protectionism and various tariff barriers in Western countries will make terms of trade more difficult for the developing world,
- with the world reserve remaining low and budgetary deficits remaining high in certain Western countries, and with financial demands expected to grow from countries in the Gulf and Eastern Europe and as well as from the Soviet Union, aid will become less available for the poor countries, and on harsher terms,
- although developing countries have got certain limited debt reductions and remissions, many of them will still be burdened with heavy debts because of high interest rates,
- intensifying technological competition among Western countries will lead to tighter control over technology transfer.

The widening gap between the North and South has not only caused anxieties among the developing countries, but also invited the attention of some sensible Westerners. They shared the view that economic disparity is the source of world conflicts and political turbulence, and the security and social welfare of the industrialized countries depend on the economic prospects of the poor peoples.

For this reason, they appealed to the industrialized world not to turn a blind eye to 'this barren land' any more.

While instituting policy changes and strengthening economic cooperation with their neighbors over the recent years, many developing countries have also tried to get industrialized countries to open up more market, reduce or remit their debts, and give them more economic aid, so that they will have a favorable economic environment for development.

The World Bank in a recent report on the poverty issue, pointed out that although the developing countries' own efforts are of vital importance in alleviating their poverty, it must be accompanied by international assistance. Facts have also shown that concerted efforts by the international community are essential in meeting this global challenge.

'Roundup' Reviews Difficulties in Mideast Talks

OW0612052591 Beijing XINHUA Domestic Service
in Chinese 1143 GMT 5 Dec 91

["Roundup: Middle East Peace Talks in Washington Beset With Difficulties; by reporter He Dalong (0149 1129 7127)"—XINHUA headline]

[Text] Washington, 4 December (XINHUA)—The second stage of the Middle East peace conference, the focus of the world attention, should have started at 10:00 this morning according to the U.S.-set schedule. Syrian, Jordanian-Palestinian, and Lebanese representatives arrived at the venue of the talks at the appointed time. Having waited for a half hour, they could not but leave one by one as their Israeli counterparts did not show up.

The Arab side was extremely discontented with Israel's obstinacy. 'Ashrawi, spokeswoman for the Palestinian delegation, criticized Israel by saying that Israel, which has voiced its readiness to hold peace talks with the Arab countries "at any place and any time" for decades, has backed down now that the peace talks have actually started. She also criticized Israel for "intending to force its will on the conveners (of the peace talks) and other delegations."

This round of talks should be a continuation of the 30 October Middle East peace talks in Madrid and was originally set for four days after the first talks ended. The talks were suspended, however, as Israel and the Arab countries could not agree on the venue of talks. Israel insisted on holding talks in turns in Israel and the Arab countries, with a view to making the Arab countries recognize Israel as a country, but the Arab countries maintained that the talks should be continued in Madrid. The impasse between both sides lasted for three weeks until the United States announced on 22 November that the two conveners, the United States itself and the Soviet Union, had decided to invite Arab countries and Israel to the talks in Washington on 4 December.

The governments of Jordan and Lebanon immediately announced their acceptance of the U.S. invitations. Israel, however, said it could hardly accept the invitation, as the U.S. had tried to force it to comply with its decision without discussing the date and venue of talks beforehand. The Israeli Cabinet met on 27 November and agreed to participate in the talks in Washington but demanded that the date be put off to 9 December, so that Israel would "have more time to prepare for the talks." The Israeli Cabinet also has asked to hold the conferences only a couple of times in Washington to discuss the "procedural" issue and then move the talks to the

Middle East. It also has asked to hold talks with the three Arab parties at different times.

This round of Middle East peace talks was supposed to discuss substantial issues. Palestine wished to first adopt the program for practicing "Palestinian autonomy" on the West Bank of the Jordan River and in the Gaza Strip, which was forwarded by the U.S. and Israeli, and hoped the program will lead to the independence of the State of Palestine. Syria wanted to take the Golan Heights back from Israel before achieving peace in the Middle East; whereas Lebanon demanded that Israel withdraw from southern Lebanon to restore its sovereignty.

Israel, however, used dilatory tactics to divide and demoralize the Arab side by saying that it "will consider" withdrawing from southern Lebanon but refusing to return the Golan Heights and resolutely opposing the establishment of a state of Palestine. In the meantime, Israel stepped up the migration to the occupied territories to mark its domain.

A spokesman for the U.S. State Department announced this afternoon that the Israeli Government had formally notified the United States that it will send three delegations to Washington for talks with the Arab side "soon." This spokesman also urged all interested parties to "stop quibbling over the procedure" and proceed to "substantial" talks "as soon as possible." Meanwhile, a spokesman for the Palestinian delegation criticized the United States Government for continuing to give preference to Israel and not "showing any indignation" against Israel's obstinacy.

Observers here held that, although the first step has been made for the Middle East peace talks, situations at the beginning of the second stage of talks reveal that the path to substantial talks will be even more difficult.

Column Reviews Background to Mideast Peace Talks

HK0612105291 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 25 Nov 91 p 2

["Viewing the World From America" column by Ruan Cishan (7086 2945 1472): "Historical Background of Middle East Peace Conference"]

[Text] There have been many tragedies in human history which had one evil cause and resulted in innumerable evil effects. After the Second World War, the Jews founded Israel in 1948 with the vigorous assistance of Britain and the United States, and from that time on, constant war in the region has proven this historical law.

The religious doctrine of Christianity as expressed in the Old Testament maintains that, because the ancestors of the Jews betrayed Jesus and nailed the "savior" on a cross, the Jews thenceforth suffered "God's punishment," and their descendants were compelled to leave their ancestral home of Palestine, become "vagrant people," and scatter all over the world. In the past, many Jews moved to China. To this day the history of Hitler's

massacre of the Jews during World War II still makes people boil with anger. It was because the Jews wandered all over the world for over 2,000 years and fully tasted the bitterness of living under other people's roofs that, beginning from the 17th century, many Jews returned to where their ancestors had lived—Palestine. They endured great hardships in their pioneer work and finally transformed the dry and infertile Palestine region into fertile farmland suitable for living. By the 1940's, the region had conditions for independence.

Approximately 100 years after the middle of the nineteenth century, when Jews gradually moved back to Palestine, World War I broke out, and Palestine became a secondary colony of Britain. During the 30 years of its control, the British Government tolerated Jewish reclamation work in this region. By 1948, on the basis of the U.S. and British plan for an outpost in the Arab world, Britain and the United States helped bring about Israel's independence. From the time of the 1815 Congress of Vienna to the present day, Western countries have never really succeeded in using power to arrange the international order. The unpeaceful situation of having enemies on all sides, which came into existence after the founding of Israel, is an example.

Israel officially became independent 14 May 1948 and became the enemy of five countries, Egypt, Iraq, Lebanon, Syria, and Jordan, the next day. During this war, Israel not only inflicted heavy losses on the allied Arab troops but also occupied one half of the territory the United Nations had reserved for a new Arab country. In this way, Israel came to possess the western half of Jerusalem, the Holy Land of Christianity and Islam. Subsequently, in the second Israeli-Arab war in 1956, in the 5 June war of 1967, and in the Israeli-Arab war in 1973, Israel captured the West Bank of the Jordan River, the Sinai Peninsula, and the Golan Heights one after another. Thus, Israel again forged new hatred from the Arab countries.

In the era of cold war between the East and West, Israel was a pawn that Britain, the United States, and other countries used to oppose the Soviet force in the Arab world. With such backing, Israel seized the opportunity to build and consolidate the country, to expand its territory, and to strengthen national strength in an attempt "to use the small to defeat the big" and to independently oppose the Arab world. This classic Jewish approach embodies the retaliation mentality—"a tooth for a tooth." This kind of idea has all along dominated Israel's national defense and foreign policies.

The cold war has ended, and the political structures of the Soviet Union and East Europe have changed. Henceforth, the United States does not need Israel to play the role of "villain" in the Middle East and no longer expects this "villain" to constantly touch off a conflict in the Middle East region. Using the left-over prestige of the victory in the Gulf crisis in the Middle East, it drew the Soviet Union in as its company to force Israel to hold negotiations with five Middle East countries, breaking

the deadlock which has persisted for 43 years when the "enemies" did not meet with each other.

As far as Israel is concerned, as long as it can hold negotiations with the Arab countries on an equal footing, it is a great victory, because the majority of the Arab countries have not officially recognized Israel's independence. Therefore, Israel is trying to hold the second round of the bilateral negotiations in any one of the Arab countries or in Israel rather than in a third country in an attempt to achieve its aim of "de facto recognition."

As far as the "Palestine Liberation" Organization and the other Arab countries are concerned, through such a meeting and through the present international macroclimate, perhaps they can compel Israel to exchange its land for peace, can force Israel to return the land it has occupied, and can participate in the chess game of a new Middle East order without the Soviet Union's support.

From the historical background and the development of this Middle East peace conference in Madrid, we can see once again that Israel unremittently captured the territories of other countries by resorting to war, and the United Nations adopted resolutions to urge it to withdraw its troops and even took economic sanctions against it; but, under the support of Western countries, including the United States and Britain, its "strength" has overridden everything. International diplomatic efforts will often be in vain without actual strength to back them up.

Post-Cold War U.S.-European-Japanese Ties Viewed
HK0412112591 Beijing SHIJIE ZHISHI in Chinese
No 21, 1 Nov 91, pp 2-4

[By Ji Yin (1323 1377): "Triangular Relations Between United States, Europe, and Japan After End of Cold War;" first paragraph is SHIJIE ZHISHI summary]

[Text] The first Group of 7 [G-7] summit meeting in 1975 indicated the forming of an economic tripod. In the 1980's, it gradually developed into an economic-political tripod. Following the dissolution of the anti-Soviet bond, each leg of the tripod began to build an economic bloc and a new order within its own sphere of influence, thus bringing about new competitions and rivalries under contemporary conditions. This may become a new tendency that replaces U.S.-Soviet cold war of the past.

In today's complicated international relations, various types of triangular relations exist in different fields and at different levels. With the disintegration of the cold war structures, the importance of the three-way U.S.-European-Japanese relations is on the rise.

From Economic Relations to Economic-Political Relations

In the 1960's, U.S.-European-Japanese relations gradually entered a new stage. The United States began to lose its absolute superiority in the capitalist world economy,

and West Europe and Japan began to rise rapidly. The balance of power in the economic field between the United States, Europe, and Japan became more and more unfavorable to the United States, and this tendency became more pronounced in the 1970's. The EC became the largest economic and trading bloc in the world, and its total GNP was close to that of the United States. Japan became the third largest economic power in the Western world. At the same time, the Bretton Woods currency system, which is based on the U.S. dollar, collapsed, and the United States lost its hegemony of the world's monetary system; the European currency system was taking shape; and the Japanese yen became more and more internationalized. In the mid-1970's, the three economic centers of the capitalist world, namely, the United States, Europe, and Japan, formally took shape. In 1975, the United States, Britain, France, Italy, West Germany, Japan (and Canada also participated later) held their first economic summit conference, which indicated the formal setup of the three economic centers. The seven countries in essence formed the tripod of the United States, Europe, and Japan. The annual meetings of these seven nations' leaders became a major mechanism for coordinating the macroeconomic policies of the three sides and their economic activities in the international realm.

In the 1980's, the economic strength of the United States, Europe, and Japan became more evenly matched. The rapidly growing economic strength of Europe and Japan gradually generated their rising political influence. With the development of the EC from an economic into a political entity and the development of Japan from an economic into a political power, the economic tripod of the United States, Europe, and Japan also gradually developed into an economic-political tripod. The United States recognized the EC as not only an equal economic partner but to a certain degree an equal political partner as well. It built up the "structural and consultative relationship" with the EC on this basis. The two sides set up a system for holding regular talks at the summit and ministerial levels. More political color was added to relations between Europe and Japan. On 18 July 1991, the EC chairman and Japanese Prime Minister Kifu signed an economic and political cooperation agreement. European-Japanese relations developed from mere economic relations into complex relations, including political relations, and the two sides set up the system for holding regular summit-level meetings to discuss major world affairs. The G-7 summit meetings more and more obviously went beyond the economic scope and gradually developed into comprehensive meetings for discussing and interfering in major economic, political, and security affairs throughout the world. In the late 1980's, since the start of the international system's transitional period, the G-7 summit meetings began to take on a more pronounced political character, and such meetings became a major mechanism for the United States, Europe, and Japan to influence world affairs and build a new world order dominated by these three players.

In general, the U.S.-European-Japanese tripod's economic character is still more pronounced than its political character. Economically, the total GNP of the three sides accounts for 65 percent of the world's total; and the three sides' economic strength has become more even. The ratio of their annual GNP is approximately 5:5:3. That is, the United States and the EC register approximately \$5,000 billion each, and Japan records \$3,000 billion. However, the political tripod is still uneven. Europe and Japan still cannot be considered two equal "legs" in comparison with the United States. In the near future, the EC is unlikely to become a real political alliance which pursues the same diplomatic and defense policies. Japan will also be facing many constraints in the process of turning itself into a political power. Therefore, Europe and Japan cannot run neck and neck with the United States in the political field, and their influence on world affairs remains rather limited.

It Is Not an Equilateral Triangle

The U.S.-European-Japanese economic-political triangle is not equilateral. The U.S.-European relationship and the U.S.-Japanese relationship are two main axes in terms of importance and depth; the U.S.-European relationship is more important than that between the United States and Japan; and the European-Japanese relationship is the weakest link. In the triangle of economic relations, each of the bilateral relationships is full of contradictions and rivalries; the most intense being the economic friction between the United States and Japan.

Europe and Japan are far apart geographically, and the two sides have weak traditional relations. West Europe's influence exists mainly in Europe and some peripheral regions around Europe as well as its traditional sphere of influence (such as the Middle East and Africa). Its influence in Asia is rather limited. At present, West Europe concentrates on European affairs, and has little remaining strength and energy to care about affairs in Asia. Its relations with Japan are focused on economic and trade relations. On the other hand, Japan's influence mainly exists in the Asia-Pacific region. To achieve its strategic objective of becoming a political power, Japan is trying to shift its diplomatic efforts beyond the United States to other regions so that it can jump beyond the Asia-Pacific region to Europe. Japan has put forth its "new European policy" to strengthen Japanese-European relations, which were rather weak in the past, and is trying to add a political factor to its relations with the EC. In July this year, Prime Minister Kaifu stressed in his Hague speech that Japan and Europe must strengthen their relations beyond the scope of their trade agreement, and added that their political cooperation can be expanded to include such affairs as security in the Gulf and the Middle East, East European reconstruction, arms control, disarmament, and development in the Asia-Pacific region.

European-Japanese relations are now mainly concentrated in the economic field, and trade frictions between the two sides are intensifying. Up to 1990, Japan's trade

surplus with Europe was less than half its trade surplus with the United States. In 1991, however, Japan's trade surplus to the EC is expected to top \$30 billion and to exceed Japan's trade surplus to the United States for the first time in history. In addition, Japan's investment in the EC is 17 times as much as EC investment in Japan. Currently the EC is deeply upset by the rapid expansion of Japanese investment and the torrential inflow of Japanese goods. French Prime Minister Edith Cresson has repeatedly called on West Europe to act in unison to resist Japan's "economic expansionism." EC President Jacques Delors also explicitly pointed out that "most severe measures must be adopted against Japan." So one cannot rule out the possibility of some economic joint actions taken by the United States and Europe to contain and constrain Japan.

The cornerstone of U.S.-Japanese relations is the U.S.-Japanese "Security Guarantee Treaty." The treaty plays a dual role in dealing with potential enemies and controlling Japan. With the disappearance of the Soviet threat, the treaty's military significance has been abating, but its political function is getting more salient. When trying to seek the status of a political power, Japan will still have to rely on U.S. and will still have to consolidate the diplomatic foundation of the U.S.-Japanese alliance. On the other hand, proceeding from its global strategy, the United States also needs to maintain and reinforce the U.S.-Japanese alliance and continue to control Japan through such an alliance. Both the United States and Japan have indicated their desire to develop their "global partnership," and this shows that they need each other. This is the main aspect of U.S.-Japanese relations.

The U.S.-Japanese contradiction is focused on their economic and trade frictions. In the economic and high-tech fields, Japan has become the United States' main competitive rival. At present, the United States' strategic focus remains in Europe, but the United States' future economic and trade interests will lie in the Asia-Pacific region. U.S. exports to the Asia-Pacific region account for over half of its total exports, and also greatly exceed its exports to Europe. The world's economic center of gravity is steadily moving toward the Asia-Pacific region, and this tendency will increase U.S. attention to its economic interests in this region. Japan has long become the United States' strong rival in the Asia-Pacific region. Japan's volume of exports to Asia reaches \$105 billion a year and exceeds the volume of U.S. exports to Asia. In addition, Japan's direct investment in Asia has reached \$47.5 billion, and has also exceeded that of the United States. At the same time, a growing part of the United States' domestic market has been occupied by Japan, as Japan's exports to the United States in 1990 accounted for 31.5 percent of Japan's total exports. Japan has been buying large quantities of stocks and other assets in the United States, and this made the American public feel the overbearing nature of Japan's economic threats. Since the end of the East-West Cold War, Japan's economic strength has replaced the Soviet Union's military strength as the main threat against the United States.

Along with the changes in the political pattern and the realignment of political forces in Europe, changes have also arisen in the foundation and character of U.S.-European relations. Because drastic changes occurred in the Soviet Union, the strongest bond in U.S.-European relations, namely, their cooperation in containing the Soviet Union, has basically evaporated, and the foundation of the U.S.-European alliance has become shaky. The United States will substantially reduce its military presence in Europe. After the dismantlement of the intermediate-range missiles deployed in Europe, the United States will further withdraw all land- and sea-based tactical nuclear weapons. Only the strategic nuclear weapons deployed in the United States and the tactical nuclear weapons deployed on aircraft carriers in Europe will remain under the so-called nuclear protection umbrella. The United States' status and role in Europe will decline, and West Europe's status and role will be on the rise. The convergence of the political and economic systems in East and West Europe has consolidated West Europe's status as the core of the new alignment of nations in Europe. Although Germany's reunification may bring about some new, uncertain factors in the development of the European situation, in general, West Europe is transforming itself from a U.S. rival in economic competition into a U.S. rival in political competition. In the past, it struggled to shake off U.S. control and strove for an equal position, and in the future, it will struggle to win the dominating position in European politics. West Europe's role as a U.S. military ally is abating, and its role as a major political and economic rival competing against the United States is on the rise. The U.S.-European bid for dominance in Europe will replace the previous U.S.-Soviet bid for hegemony in Europe.

A Round of New Competitions

There are two tendencies within the U.S.-European-Japanese tripod. One is characterized by the cooperation inherent in their political coordination and economic interdependence; the other is characterized by their political rivalry and economic friction and competition. At present, a new tendency is being observed in the fact that, along with the disappearance of the East-West confrontation and the Soviet Union's drastic decline, internal contradictions between the United States, Europe, and Japan have been becoming increasingly salient. This primarily finds expression in the intensification of their bid to dominate the effort for building the world's new order and the new regional order, their struggle over the redivision of their spheres of influence, and the competition for markets.

The nature of U.S.-European-Japanese economic competition is changing, and some new characteristics are thus being brought about. First, in the past, the internal economic conflicts in the West were restrained to a certain degree by the East-West confrontation, and Europe and Japan were forced to make concessions by sacrificing their economic interests. With the disintegration of the cold war structure between the East and the West, the U.S.-European-Japanese economic competition

will further come to the surface and unfold on a global scale. The economic warfare between the economic superpowers will replace the previous cold war between the nuclear superpowers.

Second, in the past, the contradiction between free trade and protectionism was expressed primarily through trade wars over several commodities; but today the tendency is for ordinary trade wars to develop into protracted conflicts which may endanger the multilateral trade structure as a whole. The multilateral trade talks called "the Uruguay Round," which began in 1988, should have been concluded by the end of last year, but because the United States, Europe, and Japan all stuck to their positions and were unwilling to make concessions, the talks are still stuck in a deadlock.

Third and more importantly, Western economic competition has gone beyond bilateral competition to competition between regional blocs. The United States, Europe, and Japan have all set up and are reinforcing their own economic blocs, which are confronting each other. This shows that tension in the economic triangle has reached a new high.

The EC will officially establish its unified market in 1992. It is expected that the 12 EC nations and the six European Free Trade Association nations will form an "European Economic Zone," with a population of 350 million people and a GNP of \$600 billion a year, at the same time. In fact, this will only be a transitional step before these two groups eventually merge into one entity. The EC's ultimate objective is to establish a pan-European economic circle extending to the Soviet Union and including all East and West European nations with the EC as the core.

The United States and Canada have formed a free trade zone in which commodities, labor services, and capital can move freely, and the zone may be extended to Mexico. The three countries will form a North American free trade zone with a population of 360 million people and a GNP of \$620 billion a year. It will be slightly larger than the EC. The United States' ultimate objective is to build a pan-American free trade zone including Latin America.

There was no economic trade bloc in the Asia-Pacific region like those in West Europe and North America. Japan is now quietly stepping up its efforts to form economic relations with ASEAN and the "four little dragons" and to organize a de facto East Asian economic circle, which may become the foundation for its efforts to further establish the Asia-Pacific economic circle with Japan as the center.

The competitions between the regional blocs separately with the United States, Europe, and Japan will not only involve economic interests in various aspects, but will also touch political interests and relations in a broad scope, thus having a far-reaching impact on the international pattern as a whole. The U.S. "National Security Strategy Report" in 1991 approached the competitions between the Western

economic blocs from a strategic angle, and pointed out that "as the EC will eventually form a unified market by the end of 1992 and thus set up a new milestone, we are being involved in a revolution of Western relations, which may eventually be of the same strategic importance as the revolution occurring in the East."

While the economic competition is getting more and more intense, the political rivalry between the United States, Europe, and Japan is also being unfolded around the issue of building the new international order. The U.S.-European contradiction is more saliently reflected in their contention for the dominance over European affairs.

Europe and Japan are separately involved in contradictions with the United States as they are trying to occupy a higher status in the new international order. The contradictions are focused on the question of whether the world should be a "unipolar" one dominated by the United States or a "tripolar" one jointly controlled by the United States, Europe, and Japan. French President Mitterrand announced: The new world order cannot be "peace under U.S. rule" being imposed on other nations. Japanese Prime Minister Kaifu announced: "The new world order must be formed under the tripolar dominance of the United States, Europe, and Japan."

The new world order is related to the new regional order, and the two sides impact on each other. In particular, the new European order will have major influence on the world's overall pattern. The blueprint designed by the United States for the new Europe is a "European-Atlantic Community" stretching from Vancouver to Vladivostok based on Western values, with NATO as the "cornerstone" of this pan-Atlantic community. West Europe maintains, however, that new Europe should be built with the EC as the core, and the United States should no longer play a dominating role. Who should dominate the new European order; should Europe be "Europeans' Europe" or "Americans' Europe"? This is the focus of the U.S.-European contradiction.

Until the middle of this century, the rivalry over spheres of influence among imperialist powers was expressed primarily through military conquests. The focus of the contemporary international competition has shifted, however, from the military field to the economic and technological fields. In a certain sense, the efforts of the United States, Europe, and Japan to build regional economic blocs and the new world and regional order give expression to their contention for spheres of influence under contemporary conditions. They are all trying to use economic means to achieve the goals they cannot achieve militarily.

United States & Canada

PRC To Send Buying Missions to U.S. Next Year
HK0612050891 Hong Kong CHING CHI TAO PAO
in Chinese No 48, 2 Dec 91 p 9

["China Economic News" article: "China To Send Buying Mission to U.S. Again Next Year"]

[Text] It was learned recently from the Ministry of Foreign Economic Relations and Trade that the Chinese side is taking the decline of imports from the United States seriously and is adopting positive measures to deal with it, including the dispatch of two large-scale buying missions to the United States next year. China's current imports from the United States have begun to rise, with a 15.8 percent increase in U.S. imports from January to September this year. Next year, China's imports from the United States can be expected to increase further. Different buying missions and teams will be sent to the United States according to the Chinese side's needs and capabilities.

Dignitaries Attend Ceremony Marking Computer Gift
OW0512231691 Beijing XINHUA in English
1514 GMT 5 Dec 91

[Text] Beijing, December 5 (XINHUA)—A computer company from the United States presented 60 mini-computers and peripheral equipment to the Chinese Academy of Social Sciences today for use in scientific research, management and teaching in the academy's graduate schools.

This marks the second occasion on which the AST Research Corporation has made such a presentation. In May of this year, the corporation presented 60 mini-computers to Qinghua University and the Central Academy of Minority Nationalities.

Li Ruihuan, a Standing Committee member of the Political Bureau of the Central Committee of the Chinese Communist Party, attended the donation ceremony which was held at the state guesthouse here this evening.

Prior to the ceremony, Li met with Safi Qureshey, co-chairman and chief executive officer of AST, and his party.

Li praised the corporation for its help in China's scientific research activities and education.

He welcomed the corporation's willingness to invest in China and establish enterprises in the country.

Li said that opening China to the outside world has been in the past and will remain an important policy. He added that enhancing Sino-American economic cooperation will benefit the people of both countries.

The AST Corporation, one of the leading computer companies in the world, was pioneered by its president Thomas Yuen and Qureshey.

During his speech at tonight's ceremony, Qureshey said that the donation is designed to enhance the Chinese academy's data processing, file management, statistical analysis and general office automation capabilities.

"We will also look into joint venture opportunities in China," said Qureshey. He added that AST will cooperate with various parties in China and will "continue to

develop and introduce a variety of state-of-art micro-computer technology into the China market to meet the rapidly growing user needs."

Hu Sheng, president of the Chinese Academy of Social Sciences, and J. Roy Stapleton, the United States ambassador to China, also spoke at the ceremony.

A number of other dignitaries attended tonight's ceremony, including: Fei Xiaotong and Lei Jieqiong, vice-chairmen of the National People's Congress Standing Committee, and Yang Jingren and Wang Guangying, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference.

China-Canada Dry Land Agriculture Project Begins

SK0612065891 Shijiazhuang HEBEI RIBAO
in Chinese 16 Oct 91 p 1

[Text] The Hebei dry land agriculture project undertaken with the cooperation of China and Canada has begun to be implemented. The meeting of the guidance committee for the project, cosponsored by the International Development Organization of Canada, the Ministry of Agriculture, and the Ministry of Foreign Economic Relations and Trade of China, was held in Shijiazhuang recently.

This is a technology assistance project provided for Hebei Province by Canada's International Development Organization. The organization will provide the province with Canadian \$4.3 million (some 20 million yuan in terms of Renminbi) to develop dry land agricultural technology in low plains areas liable to drought due to water shortage, to improve the quality of dry land agriculture, and to raise the utilization rate of water resources. This project is being undertaken by the provincial academy of agriculture and forestry sciences, with its subsidiary outlay being provided by the provincial science and technology commission, the provincial planned economy commission, and the provincial finance department.

Soviet Union

Repercussions of Ukraine Independence Viewed

OW0612002991 Beijing XINHUA in English
1528 GMT 05 Dec 91

[Text] Beijing, December 5 (XINHUA)—Never has a Soviet republic borne such a weight as did the Ukraine recently. Its option was to walk towards independence, or remain within a Soviet Union whose future may well be disappearing.

With 90 percent of the voters balloting for independence of the Ukraine on December 1, the world could only surmise what it would mean for the future.

Historically a slav nation, as are Russia and Byelorussia, the Ukraine boasts an economic status second only to Russia among the 15 former Soviet republics.

Its sea ports have been of greater significance to the Soviet Union following the secession of the three Baltic republics.

Its production accounts for 25 percent of the Soviet gross national product, 17 percent of the industrial output value and 22 percent of the agricultural output value.

It serves both as a "bread basket" and a center of metallurgy, machine building and chemical industry. To the mind's eye of Soviet President Mikhail Gorbachev, this southwest, rich "European part" of the former Soviet Union is indispensable to a new union of sovereign states.

A union without the Ukraine was "unthinkable," as the president told the press before the independence referendum in the Ukraine.

But despite Gorbachev's efforts to persuade it to stay, the Ukraine, with a population of more than 52 million and an area of 600,000 square kilometers, seems ready to leave.

Of the 12 former Soviet republics (not including the three Baltic republics) who have declared independence since the August incident, the Ukraine was one of the five refusing to sign a new union treaty a week ago.

Although Soviet presidential advisor G. Kh. Shakhnazarov asserted later that at least eight republics were ready to join the union, newly elected Ukrainian President Leonid Kravchuk is obviously of a "non-aligned" mind.

He said the Ukraine had no intention of joining any political alliance aimed at establishing a central administration like the former Soviet Union.

Bestowed with a large area and population, and equipped with an economic and technological infrastructure not yet completely destroyed, the Ukraine could survive, the president said.

The future of the Ukraine, as well as a new union, is also complicated by a series of international responses to the outcome of the referendum.

It was reported that the United States has decided to "move toward recognition" of an independent Ukraine, and U.S. President George Bush announced his readiness for recognition even before the referendum was held in Ukraine.

This is in sharp contrast to the United States' earlier promise that it will try to avoid embarrassing Gorbachev by recognizing the independence of any of the former Soviet republics in a hasty way.

Poland, Ukraine's western neighbour, and Canada, as a first western country, announced their recognition soon after the Ukraine's independence referendum.

Other western countries, including Britain, France, Germany and Japan, have urged the Ukraine to observe treaties signed between the former Soviet Union and western countries, and to become a nuclear-free country.

They proposed that Russia, the Ukraine, Byelorussia and Kazakhstan bring their nuclear weapons under a central control.

But judging from the fact that the Ukraine has united itself with Russia for more than three centuries, it is hard to imagine a complete severing of special ties between the two, one in which territorial disputes alone might lead to warfare.

Some observers believe it is still possible for the Ukraine to join a loose confederation of sovereign states if a new union treaty can meet some of the demands by Ukraine.

Ukraine's Kravchuk Takes Oath, Outlines Policies

*OW0612102391 Beijing XINHUA in English
0802 GMT 6 Dec 91*

[Text] Moscow, December 5 (XINHUA)—Leonid Kravchuk today sworn in as the first president of independent Ukraine.

At his inauguration ceremony at a Ukrainian Supreme Soviet meeting, Kravchuk said that it was important for Ukraine to guarantee human rights and freedom as well as ensure economic development.

Ukraine's economy had to integrate into the world economy, he added.

Kravchuk said the new country would give priority to the development of all kinds of ownership.

Kiev would authorize more power to entrepreneurs, he said.

Ukraine would also strive to transform more military enterprises into civilian use, issue its own currency, establish an effective social insurance mechanism, and rescind the limitation on personal income, he said.

Every Ukrainian citizen would be given equal rights regardless of his or her race and religion, he added.

On foreign policy, the president said Ukraine would open to the world and cooperate with all countries in the world.

Ukraine believed in territorial inviolability and the integrity of sovereignty, he said, adding that his would be a nuclear-free country.

Kravchuk said Ukraine should develop good-neighborly relations with republics from what was formerly the Soviet Union, especially the republic of Russia.

Immediately after Kravchuk's inauguration, the legislature elected economist Ivan Plusch as chairman of the Supreme Soviet of the Ukraine Republic.

Ukraine Declares Soviet Connection Invalid

*OW0612103191 Beijing XINHUA in English
0812 GMT 6 Dec 91*

[Text] Moscow, December 5 (XINHUA)—The Ukrainian parliament said today that the treaty on the establishment of the Soviet Union in 1922 and other soviet constitutional articles are no longer valid in the Ukraine.

The Ukrainian parliament said today that the Ukraine will agree to the Helsinki Final Act, the Charter of Paris for a New Europe and other documents in the Conference on Security and Cooperation in Europe (CSCE).

The Ukraine appealed to the parliaments and governments of the CSCE countries to support its wish to be a direct participant in the whole European procedure and said the Ukraine is ready to establish diplomatic ties with other countries.

The Ukraine confirmed its international duties and said it will honor all international treaties signed by the former Soviet Union which do not contravene the Ukrainian constitution and the interests of the Ukrainian people.

It will also abide by relevant articles in the 1991 Soviet-U.S. treaty on the reduction of strategic weapons concerning nuclear weapons deployed in the Ukraine.

The parliament also stressed that the Ukraine has established an army and national security force to guarantee its independence, sovereignty and territorial integrity.

Northeast Asia

Tian Jiyun Continues Official Meetings in Japan

Holds Talks With Watanabe

*OW0512212191 Beijing XINHUA Domestic Service
in Chinese 1618 GMT 5 Dec 91*

[By reporter Wang Dajun (3769 1129 6511)]

[Text] Tokyo, 5 December (XINHUA)—Japanese Deputy Prime Minister and Foreign Minister Michio Watanabe pointed out in Tokyo today that Japan's relations with China is one of the important pillars of Japan's foreign policy, and that further developing their relations will be conducive to peace and development in the Asia-Pacific region.

Watanabe made the above remarks when meeting with Tian Jiyun, vice premier of the Chinese State Council.

Watanabe said: Next year marks the 20th anniversary of the restoration of diplomatic relations between Japan and China. In this important year, all circles in Japan will unfold various celebration activities. He hoped that Japan and China will make joint efforts in making contributions to the international community.

Watanabe said that he appreciates China's upholding their policy of reform and opening, and hoped China would make new achievements in reform and opening to the outside world.

Tian Jiyun said that he has exchanged opinions with the Japanese Government and people of various circles on bilateral relations and issues of common concern. He expressed satisfaction over the talks' results.

He said: The Chinese Government has placed the development of Sino-Japanese friendship and cooperation in a very important position. China and Japan can make up each other's deficiencies because this will have a positive effect on the development of both countries, Asia, and even the whole world.

He hoped that the 20th anniversary of the restoration of diplomatic relations between the two countries next year would offer an opportunity to raise friendship and cooperation in various fields to a new level.

After the meeting, Watanabe hosted a banquet for Tian Jiyun and his entourage.

Tian Jiyun and his party will leave Tokyo tomorrow for a visit to the Kyushu and Kansei areas.

[In a similar report, Beijing XINHUA in English at 1718 GMT on 5 December adds: "Tian and his delegation will fly to Fukuoka Friday morning [6 December] on an inspection tour to western Japan before leaving Osaka for home next Wednesday. [11 December]."]

Congratulates Miyazawa on Premiership

OW0612021491 Beijing Radio Beijing in Japanese
1430 GMT 4 Dec 91

[Text] According to Radio Beijing Tokyo Correspondent Cho Fusei, Prime Minister Miyazawa met Chinese Vice Premier Tian Jiyun at his official residence on 3 December, and exchanged views on bilateral ties and issues of common concern in an amicable atmosphere. During the meeting, Vice Premier Tian Jiyun congratulated Mr. Miyazawa on his election to the premiership, and said: Prime Minister Miyazawa is an old friend of the Chinese people who has made great contributions to the development of friendship and cooperation between Japan and China. I believe that there will be additional progress in bilateral relations his term of office.

Vice Premier Tian Jiyun also delivered a personal letter from Premier Li Peng inviting Prime Minister Miyazawa to visit China.

On the same day, Vice Premier Tian Jiyun also met leaders of the political and business sectors, including former Prime Minister Takeshita, and Ryoichi Kawai, chairman of the Japan-China Association of Economy and Trade, and countries.

Discusses Reform, Technical Aid

OW0612051091 Beijing Radio Beijing in Japanese
0930 GMT 5 Dec 91

[Text] According to Radio Beijing Tokyo correspondent Cho Fusei, Deputy Premier Tian Jiyun, who is visiting Japan, has pointed out that it is necessary to promote economic and technological cooperation to a higher level between China and Japan during the 1990's. He said this at a lecture meeting held in Tokyo on 4 December. Deputy Premier Tian Jiyun said as follows:

Wide-ranging future development lies before Sino-Japanese economic cooperation. It will be beneficial to both China and Japan if Japan eases its conditions for technological transfer. The Chinese Government has already taken appropriate measures to guarantee further protection of intellectual property, facilitate laws, improve the investment environment and guarantee legal rights and interests regarding technological investment. Deputy Premier Tian Jiyun then explained the major achievements made in various fields, including economic construction, after China launched the reform and open-door policies. He then explained as follows:

China's gross national product continued to increase every year at an average of 9 percent during the 1980's. China's overall national strength also grew, and the people's standard of living was improved significantly. These achievements prove that the reform and opening-up policies established under Deng Xiaoping's leadership, are absolutely correct and are becoming the primary underpinning of China's economic development and social progress. China will probably continue to firmly promote the reform and opening-up policies. I believe that a stabilized and developed China will make active contributions to economic prosperity in the Asia-Pacific region and for economic cooperation between China and Japan.

Deputy Premier Tian Jiyun said this in his lecture, which was attended by over 200 Japanese from economic circles.

Deputy Premier Tian Jiyun also met with former Prime Minister Kaifu, Economic Planning Agency Director General Wada, Liberal Democratic Party Secretary General Watanuki and other officials on 2 December in Tokyo to exchange views on various issues, such as the development of stable long-term Sino-Japanese friendship relations.

In Tokyo, Deputy Premier Tian Jiyun also met with Chinese merchant leaders who reside in the Tokyo and Yokohama areas.

Watanabe To Visit China in Jan

OW0612050591 Beijing XINHUA in English
0445 GMT 06 Dec 91

[Text] Tokyo, December 6 (XINHUA)—Japanese Deputy Prime Minister and Foreign Minister Michio Watanabe will visit China in mid-January for talks on

Emperor Akihito's trip to China next year, KYODO News Service reported today.

It quoted official sources as saying Watanabe will travel to Beijing after U.S. President George Bush's visit to Japan on January 7-10.

Watanabe will arrive in Beijing before the opening of the regular Diet session on January 24, the sources said.

In a meeting with Chinese Vice Premier Tian Jiyun in Tokyo on Thursday, Watanabe stressed the relations with China are an important pillar of Japan's foreign policy.

Comparison on Li Peng Meeting Japanese Speaker *CM0612155291*

Beijing XINHUA Domestic Service in Chinese at 1404 GMT on 23 November carries a report on Li Peng's meeting with Japanese House Speaker Sakurauchi in the Great Hall of the People on 23 November. The XINHUA Chinese version of the report has been compared with the XINHUA English version published in the 25 November China DAILY REPORT, page 10, revealing the following variations:

Paragraph one, only sentence reads: ...afternoon in Beijing.

Li Peng welcomed the visit by the 20th large economic delegation from Japan's Association for the Promotion of International Trade being led by Sakurauchi.

Reviewing the development.... (supplying additional material)

Paragraph two, only sentence, reads: ...Li said that next year will be the 20th anniversary of the normalization of Sino-Japanese relations. Numerous Japanese friends.... (supplying additional material)

Last paragraph, only sentence reads: ...of today's meetings.

The Japanese guests were invited by the China Council for the Promotion of International Trade to visit China to understand China's domestic and foreign policies to enable them to study various possibilities for further developing bilateral trade cooperation. (supplying additional material)

DPRK Film Delegation Meets State Council Member *SK0612041691 Beijing Radio Beijing in Korean* *1100 GMT 4 Dec 91*

[Text] Comrade Li Tieying, member of the State Council and minister of the State Education Commission, met with the DPRK film delegation led by Vice Minister Kwon Hyok-pong at the Great Hall of the People on 2 December. They exchanged opinions in a warm and friendly atmosphere.

The DPRK guests, at the invitation of our country's Ministry of Radio, Film, and Television, arrived here on 19 November. They toured Beijing, Shanghai, Jinan, and other districts.

Southeast Asia & Pacific

Spokesman Says Qian Qichen To Visit Cambodia *HK0512151191 Hong Kong AFP in English 1424 GMT* *5 Dec 91*

[Text] Beijing, Dec 5 (AFP)—Chinese Foreign Minister Qian Qichen will visit Phnom Penh at a date to be announced later, foreign ministry spokesman Wu Jianmin said in Beijing Thursday.

Beijing last week cancelled for "technical reasons" Qian's two-day visit to Cambodia, scheduled to have started Thursday, after the attempted lynching of Khmer rouge leader Khieu Samphan.

Speaking at a weekly press briefing, Wu gave no explanation of the "technical reasons" behind the cancellation, nor did he give a date for the rescheduled trip.

"We are going to have the news released at an appropriate time," Wu said.

China cancelled Qian's visit last Saturday in apparent retaliation for the attempted lynching of Khieu Samphan following the Khmer Rouge's return to Phnom Penh.

The Chinese government announced this decision last Saturday through its ambassador to Cambodia's Supreme National Council, Fu Xuezhong, during a meeting of the council in the Thal coastal resort of Phattaya.

China is the Khmer Rouge's main supporter and was its principal source of arms during the Cambodian civil war.

The Khmer Rouge was responsible for the deaths of more than one million people between taking power in 1975 and being toppled by the Vietnamese army in 1979.

Commentary Terms Cambodian Peace 'Irreversible' *OW0612110791 Beijing XINHUA in English* *1055 GMT 6 Dec 91*

[Text] Beijing, December 6 (XINHUA)—The PEOPLE'S DAILY [RENMIN RIBAO] in a commentary today greeted "certain results" achieved by the Supreme National Council (SNC) of Cambodia in Phattaya, Thailand, as "gratifying" to those who were concerned over peace process in that country following a violent incident in Phnom Penh.

All SNC members unanimously agreed at their third meeting in Phattaya on December 3 that the November 27 incident should not be allowed to happen again. Members of the Democratic Kampuchean side will return to Phnom Penh as soon as possible.

In addition, the SNC Secretariat is to start operation in Phnom Penh at an early date.

The latest development, the commentary said, rejoice those who worried that the violent incident might reverse the peaceful situation in Cambodia.

The Phatthaya meeting was held after the bloody attack on Khieu Samphan and Son Sen, SNC members from the Democratic Kampuchean side. They were injured and forced to leave Phnom Penh, casting a shadow over the implementation of the peace agreements on Cambodia concluded in Paris last October, it said.

Thanks to the efforts by the international community and SNC Chairman Samdech Norodom Sihanouk, it continued, Hun Sen, SNC member from the Phnom Penh side openly recognized that he "is responsible" for the incident which "seriously disturbs the implementation of the Paris peace agreements on Cambodia." Hun Sen promised at the meeting that such incident would not occur again.

Members of the Democratic Kampuchean side, it noted, have shown great restraint and set store by the overall situation. Despite of the bloody incident, they reiterated their willingness to return to Phnom Penh, so long as their safety is guaranteed, to contribute their share in carrying out the peace agreements under the leadership of Samdech Norodom Sihanouk.

Difficulties and contradictions may prop up in the peace process for seeking a political settlement of the Cambodian issue, but the course is irreversible since it conforms with the general trend in Cambodia that the people desire peace and the nation needs reconstruction, the commentary concluded.

Australian Minister Hails Upcoming Trade Talks
OW0512104391 Beijing XINHUA in English
1032 GMT 05 Dec 91

[Text] Canberra, December 5 (XINHUA)—Australia and China will hold ministerial-level discussions on a range of trade and economic issues in Canberra Saturday.

"It is the single most important forum for managing the substantial commercial and economic relationship between our two countries," Australian Minister for Trade and Overseas Development Neal Blewett said today in a statement.

Blewett, who will host the talks as part of the Fifth Australia-China Joint Ministerial Economic Commission (JMEC), said Australia attached a high priority to the JMEC with China.

"This fifth round of talks is something of a milestone as for the first time, Australian companies will participate directly in the talks," Blewett added.

The commission will review aspects of the substantial two-way trade valued at more than 2.6 billion Australian

dollars (2.05 billion U.S. dollars), address areas of bilateral concern and explore areas for expansion.

Both countries are keen to explore ways of further freeing up markets in each country. Australia will be particularly interested in export possibilities for service industries, especially in transport and communications.

Concessional and other export financing arrangements are also expected to be discussed at the meeting.

Chinese High Technology Exhibit Opens in Bangkok
OW0312111691 Beijing XINHUA in English
1038 GMT 3 Dec 91

[Text] Bangkok, December 3 (XINHUA)—An exhibition of new high technology activities of China, which was sponsored by the Beijing Science and Technology Commission and aimed at promoting China's scientific, technological and economic ties with Thailand, opened here today.

About 350 technologies and products were on display at the exhibition. Most of the exhibits are new and advanced and can be used as a basis for further industrial cooperation.

The commission has held similar exhibitions in Hong Kong, Macao and Moscow since 1989.

The exhibition is scheduled to end on December 10.

Jilin Delegation Returns From Thailand Visit
SK0312001191 Changchun Jilin People's Radio
Network in Mandarin 0000 GMT 2 Dec 91

[Text] After satisfactorily winding up its visit to Thailand, the Jilin Province economic cooperation delegation headed by Vice Governor Wu Yixia flew back to Changchun on 1 December.

Li Shichun, Chinese ambassador to Thailand; a vice minister at the Thai Ministry of Agriculture; and responsible persons of the trade and investment committee of Thailand met with the delegation in Thailand. The delegation inspected 12 enterprises under the Chia expanding various areas of cooperation. Through friendly consultation, both sides signed the memorandum of economic cooperation. The delegation and the Chia Tai Group decided to increase investment to build a farm for breeding improved first generation chickens, a farm for breeding improved second generation chickens, and an oil processing plant. Both sides signed the pre-phase preparatory work program.

When the delegation arrived in Changchun, Zhang Yueqi, vice governor of the provincial government; Sang Fengwen, secretary general of the provincial government; Yang Qingcai, deputy secretary general of the provincial government; and Liang Jichang, deputy director of the provincial foreign affairs office, welcomed it at the airport.

Vice Premier Zhu Rongji Meets Indonesian Guests*OW0412115891 Beijing XINHUA in English
1149 GMT 04 Dec 91*

[Text] Beijing, December 4 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Indonesian Minister of Industry Hartarto and his party here today.

Zhu extended a warm welcome to the Indonesian visitors, who have come to seek the expansion of Sino-Indonesian relations of cooperation in industry and trade.

The vice-premier briefed the guests about China's current economic situation.

The Indonesian minister arrived in Beijing on Monday as guest of Chinese Minister of Metallurgical Industry Qi Yuanjing. He is accompanied by more than 80 Indonesian businessmen on the visit.

Near East & South Asia**Further Reportage on Pakistani Envoy Visit****China To Attend Nuclear Meetings***HK0512141391 Beijing ZHONGGUO XINWEN
SHE in Chinese 1202 GMT 5 Dec 91*

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 5 Dec (ZHONGGUO XINWEN SHE)—Qian Qichen, Chinese state councillor and foreign minister, said in Beijing this afternoon: China endorses the proposal Pakistani Prime Minister Sharif put forth in June of this year for holding consultations among five nations (i.e., the United States, the Soviet Union, China, Pakistan, and India) on nuclear nonproliferation in South Asia. China is willing to attend the consultations.

Qian Qichen made the remark when meeting with Akram Zaki, Pakistani presidential special envoy and secretary general of the Ministry of Foreign Affairs. In their 45-minute meeting, the host and guest exchanged views on the five-nation consultations on nuclear nonproliferation in South Asia and other international and regional issues.

Zaki explained Pakistan's stand and opinion with regard to the five-nation consultations on nuclear nonproliferation in South Asia.

Qian Qichen said: Making South Asia a nuclear-free zone is of benefit to the peace and stability in this region.

Zaki arrived in Beijing 3 December for a visit and will return to Pakistan tomorrow. As a special envoy, he is on this trip to exchange views with the Chinese on the five-nation consultations on nuclear nonproliferation and international and regional issues.

Akram Zaki Meets Qian Qichen*BK0612051391 Islamabad Radio Pakistan Network
in Urdu 0200 GMT 6 Dec 91*

[Text] Akram Zaki, the prime minister's special emissary, has held talks with Chinese Foreign Minister Qian Qichen in Beijing. He exchanged views with him on international, regional, and bilateral matters, particularly the Pakistani prime minister's proposal to make South Asia a nuclear-free zone—a proposal which already has the support of China, the United States, and the Soviet Union. Akram Zaki told the Chinese foreign minister of Pakistan's efforts to hold meaningful talks with India to stop the atrocities against the unarmed and innocent people in occupied Kashmir. Akram Zaki also briefed him on Pakistan's efforts to find a political settlement to the Afghanistan problem.

Shanghai's Wu Bangguo Briefs Visiting Tunisians*OW0612114591 Shanghai People's Radio Network
in Mandarin 2300 GMT 5 Dec 91*

[Report by station reporter Yao Shukun; from the "Morning News" program]

[Text] Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, met Chadli Neffati, general secretary of the Democratic Constitutional Assembly Party of Tunisia, at Xijiao Guesthouse yesterday evening [5 December].

At the meeting, Wu Bangguo said: Over the past few days, the Shanghai Municipal CPC Committee has been convening an important meeting to study and implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee.

He said: At present, Shanghai is enjoying political and social stability, and the municipal economy is developing in a sustained manner. We will continue reform and opening and adhere to the socialist road in further improving the work in Shanghai.

On behalf of the Shanghai Municipal Party Committee, Wu Bangguo extended a warm welcome to General Secretary Chadli and other Tunisian visitors.

General Secretary Chadli also made a ebullient speech at the meeting. He said Shanghai will play an important role in developing the friendly relations between Tunisia and China.

General Secretary Chadli and his entourage arrived in Shanghai yesterday noon in the company of Lim Chengren, deputy director of the International Liaison Department of the CPC Central Committee.

Delegation Discusses Family Planning in Bangladesh*OW0512160391 Beijing XINHUA in English
1421 GMT 5 Dec 91*

[Text] Dhaka, December 5 (XINHUA)—Bangladesh will spend 600 million U.S. dollars for its fourth health

and population project with 60 percent of the money being spent on the population control program.

Bangladesh Health and Family Welfare Minister Ibna Yusuf made the disclosure while meeting here today a five-member Chinese delegation headed by Minister in Charge of the State Family Planning Commission Peng Peiyun.

The Chinese delegation arrived here today on a six-day visit.

Yusuf said that Bangladesh will spend more money on women's health and education in the next five years.

He said Bangladesh is one of the world's densely populated country with over 768 people per square kilometer. Its population growth rate is 2.17 percent which the government plans to reduce to 1.8 percent by the end of 1995, he said.

During the meeting, Peng explained in detail the methods China is adopting in controlling population growth. She said China's present population growth rate is 1.4 percent and China plans to lower it to 1 percent by the year 2000.

Science, Technology Delegation Departs Bangladesh

OW0312225491 Beijing XINHUA in English
1541 GMT 3 Dec 91

[Text] Dhaka, December 3 (XINHUA)—The Chinese science and technology delegation left here for Karachi today after a six-day visit to Bangladesh.

During its stay here, the delegation signed a protocol on scientific and technological cooperation with Bangladesh, under which the two sides will cooperate in agriculture, energy, chemical industries and genetic engineering.

The Chinese delegation visited the Bangladesh Council of Scientific and Industrial Research and the Agriculture Research Institute and had talks with Bangladesh officials.

East Europe

Czechoslovak Premier, Delegation Continue Visit

Not To Give Beijing Prisoner List

LD0512211991 Prague Ceskoslovensky Rozhlas Radio
Network in Slovak 1400 GMT 5 Dec 91

[Text] CSFR Deputy Prime Minister Pavel Rychetsky, accompanying Prime Minister Marian Calfa on his visit to China, has emphasized that the trip was motivated primarily by the effort to enhance mutual economic relations. Rychetsky said that it would not be appropriate for the delegation to present in Beijing the list of political prisoners prepared by our Foreign Ministry, with the request that the PRC look into their cases. Pavel Rychetsky confirmed that this document will be presented at a non-governmental level.

Visits Shanghai, Joint Venture

OW0512231891 Beijing XINHUA in English
1518 GMT 5 Dec 91

[Text] Shanghai, December 5 (XINHUA)—Czechoslovak Premier Marian Calfa arrived in Shanghai by special plane today.

Shanghai Mayor Huang Ju met with Calfa and his party this evening and extended a warm welcome to the guests.

Huang expressed hope that Shanghai and Czechoslovakia would strengthen cooperation and exchanges.

Calfa said he was expecting to visit Shanghai and he found that the visit was rewarding.

On his visit to the Sino-German joint venture—Shanghai Volkswagen Corporation, he said that such joint venture has a bright future in China.

He added that his tour of the the newly-completed Nanpu Bridge also left him a deep impression.

While in Shanghai, Calfa was accompanied by Zeng Xianlin, chairman of the Chinese Government reception commission and minister of light industry.

Calfa is scheduled to leave Shanghai for Guangzhou tomorrow.

XINHUA Reports Demonstrations in Poland

OW0512085491 Beijing XINHUA in English
0733 GMT 5 Dec 91

[Text] Warsaw, December 5 (XINHUA)—More than 2,000 members of the Solidarity Trade Union gathered on Wednesday in southeast industrial city Wroclaw to hold a silent demonstration protesting against the Polish Government's economic policy and unemployment.

According to PAP NEWS AGENCY, demonstrators including jobless workers and local solidarity trade union leaders presented a petition for the president before the provincial government building.

The petition said that all Polish workers need job. It criticized the government for its "shortsighted" move to cut the expenditure on health, education and culture for the sake of balancing deficit. "It will cause great losses to the whole nation," the petition said, appealing for social insurance for the jobless.

It was reported that the Solidarity Trade Union branch in Polish national automobile transportation bureau

gathered 14 trucks before the building of Ministry of Transport, protesting against the proposal of reducing the pay for cross-border transportation.

The Teachers Association of Poland also threatened to take "radical action" after negotiations with the government broke down today. They protested against the recent three percent cut in education funds in the wake of repeated cuts already made by the government.

It was also reported that 2,000 workers in Wifam textile mill in Lodz occupied the factory today asking for a change to the government financial credit policy on state-run enterprises.

Ambassador To Bulgaria Presents Credentials

*OW0512062891 Beijing XINHUA in English
0611 GMT 05 Dec 91*

[Text] Sofia, December 5 (XINHUA)—China's newly-appointed ambassador to Bulgaria Bai Shoumian presented on Wednesday his credentials to Bulgarian President Zheliu Zhelev.

Afterwards the two men held talks with Zhelev saying there was great potential in the development of economic relations between their two countries.

Reiterating Bulgaria's position on the Taiwan issue, the president said his country recognizes only the People's Republic of China and views Taiwan an inalienable part of China.

Political & Social

Student Dissident Li Mingi Goes on Trial

HK0612082391 Hong Kong AFP in English 0810 GMT
6 Dec 91

[Text] Beijing, Dec 6 (AFP)—Chinese student dissident Li Mingi was put on trial here Friday, charged with "counter-revolution" for speaking at a protest last year to mark the anniversary of the Tiananmen Square crackdown.

A notice posted outside the Beijing Intermediate People's Court said Li, 22, an economics major at Beijing University, was accused of "counter-revolutionary propaganda and instigation." It said the trial was public.

Li was arrested on June 15, 1990 after addressing hundreds of students at a midnight rally on June 4 to commemorate the first anniversary of the Army crackdown on the Tiananmen Square pro-democracy movement.

He had been held without trial ever since.

Li was branded by Communist Party authorities as the "chief instigator of an anti-party conspiracy." During his impromptu speech, Li tagged China's leaders "wild and savage autocrats" and called for an elected body to supervise them.

China said earlier this year that it had basically concluded the trials of 1989 protestors. Western human rights activists in contact with the authorities here say Beijing wants to get the remaining trials over with soon.

Li's prosecution follows unconfirmed claims by Chinese sources that five dissidents were put on trial November 28 at the Beijing court, including top student leader Zhai Weimin and PEOPLE'S DAILY (RENMIN RIBAO) editor Wu Xuecan.

A court spokeswoman declined to comment on the claims, saying such cases were not open to foreigners.

China said November 29 that it had released student dissident Wang Youcai and dropped charges against labor activist Han Dongfang, which observers saw as a gesture to appease the United States following the visit of Secretary of State James Baker.

State Council Executive Meeting Discusses S&T

OW0612135391 Beijing XINHUA in English
1342 GMT 6 Dec 91

[Text] Beijing, December 6 (XINHUA)—Premier Li Peng presided over the 94th executive meeting of the State Council, China's highest governing body, here today.

The meeting discussed and approved in principle the "State Short- and Medium-Term Science and Technology Development Program", the "Outline of the State Short- and Medium-Term Science and Technology Development" and

the "Outline of the 10-Year Program and the Eighth Five-Year Plan (1991-95) for Science and Technology Development of the People's Republic of China".

All these guidelines and plans were mapped out by the State Science and Technology Commission.

The "State Short and Medium-Term Science and Technology Development Program" is a programmatic document for the development of science and technology in China. The "Outline of the State Short and Medium-Term Science and Technology Development", an auxiliary document to the former, contains detailed explanation for the development of key science and technology programs in various industries and departments.

The guiding principle and outlines were drawn up in line with the Outline of the 10-Year Program and the Eighth Five-Year Plan for the National Economic and Social Development approved at the Fourth Session of the Seventh National People's Congress.

The meeting pointed out that the central government has previously mapped out strategic programs for science and technology development in 1956, 1962, 1978 and 1983. These programs played very important roles in directing the development of China's science and technology.

New technologies are developing vigorously worldwide. China is pursuing the policies of reform and opening to the outside world and attempting to promote the country's economic construction with the advancement of science and technology and the improvement of skills. Thus, it is imperative to stipulate a 10-Year Program, an Eighth Five-Year Plan (1991-95), as well as a medium and long-term programmatic document for the development of science and technology in order to develop China's scientific and technological sector, invigorate China's economy and promote the development of Chinese society in an all-round way, the meeting was told.

The meeting noted that this strategy, worked out by the Chinese Communist Party Central Committee and the State Council, has already been proved correct.

In order to greatly enhance the country's scientific and technological level in the coming ten years, the country will increase input for science and technology along with the economic development, further deepen the scientific and technological system reform and streamline the application of science and technology to the economy.

The meeting decided to deliver the three documents to local governments and departments for execution after revision.

The meeting also decided to submit the border treaty between the People's Republic of China and the People's Democratic Republic of Laos to the Standing Committee of the Seventh National People's Congress for approval.

Deng Orders Relaxation on 'Peaceful Evolution'*HK0612020791 Hong Kong THE STANDARD
in English 6 Dec 91 p 1*

[By Cheung Po-ling]

[Text] Paramount leader Deng Xiaoping, 80, has instructed the Communist Party not to indulge in propaganda against peaceful evolution in order to reconcile China's relationship with the United States.

Mr Deng asked General Secretary Jiang Zemin to give the message in a speech he delivered to the plenum of the party's Central Committee last week.

Mr Deng said: "We should not repeatedly mention the peaceful evolution plot by the West to change China's socialist system, because it goes against the U.S."

"We need the U.S. to promote our reforms and openings. If we always confront the U.S., we'll leave no leeway for ourselves to manoeuvre."

It is the first time Mr Deng spoke of the U.S. after the State Secretary James Baker's visit to Beijing last month.

In a linked development, the Chinese authorities are poised to release 100 political prisoners like student leader Wang Dan and intellectual Bao Zunxin early next year.

Mr Deng's message will be a future guideline for the party's propaganda against the anti-peaceful evolution. [sentence as published]

It has been agreed that the propaganda against the peaceful evolution should not obstruct the progress of the policy of reform and opening.

Instead of directing the propaganda against the West led by the U.S., the plenum will confine the anti-peaceful evolution campaign within the party, particularly in the ideological sphere.

Deng Liqun Said To Hail 'Mao Zedong Craze'*HK0612051391 Hong Kong MING PAO in Chinese
6 Dec 91 p 8*

["Special dispatch": "Deng Liqun Says Reemergence on Mainland of Mao Zedong Craze To Be Inspiring"]

[Text] Deng Liqun, a senior CPC official with substantial influence on ideological affairs, recently once again commented on the emergence of "Mao Zedong craze." He said that "Mao Zedong craze" should be considered as a positive phenomenon in China's historical development and that "the spread of the ideological trend of bourgeois liberalization in China to an unprecedented extent" was the profound historical vista and ground for the emergence and development of "Mao Zedong craze."

Beijing's GUANGMING RIBAO recently published a lengthy article by Deng Liqun on "Mao Zedong craze."

Deng Liqun previously just described the emergence of "Mao Zedong craze" as an "interesting" phenomenon, but he recently changed his attitude and affirmed the positive significance of the phenomenon.

In his article, Deng Liqun said: "After the 1989 political storm in Beijing and especially after the reversion of Eastern Europe and the disintegration of the Soviet Union, an unprecedented worldwide anticommunist upsurge arose, and some people announced that 'communism is dead.' Under such circumstances, the phenomenon of 'Mao Zedong craze' emerged in China and the 'fever' is still on the rise. This is indeed a miracle in the history of socialist China and even in the history of the communist movement as a whole."

Deng Liqun said: "The fact that the ideological trend of revisionism in the world and the trend of bourgeois liberalization in China spread to an unprecedented extent is precisely the profound historical vista and ground for the emergence and development of 'Mao Zedong craze.'"

It is said that the nostalgic feelings in "Mao Zedong craze" give expression to young people's resentments against the current corrupt practice of the officialdom. Deng Liqun said: "Some people may have extreme feelings and some people with ulterior motives may also make use of such feelings in order to create antagonism between the party and the young people."

Deng Liqun said that "Mao Zedong craze" is, in any case, a positive and inspiring phenomenon in China's historical development.

"As the main aspect of this phenomenon, it represents some healthy and progressive factors and brings hope to people. It is also a rallying and centripetal factor and a factor for promoting unity and stability."

Article Discusses He Jingzhi, Wang Meng*HK0512124991 Hong Kong CHENG MING No 170,
1 Dec 91 pp 11-13*

["Notes on Northern Journey" by Lo Ping (5012 0393): "Wang Meng Event and He Jingzhi's New Offensive"]

[Text]

He Jingzhi, who nobody likes in the cultural and artistic circles, has been under attack by literary and artistic circles people since he masterminded the attack on Wang Meng. Instead of retreating, he and other "kings of leftism" banded together to challenge Li Ruihuan.

He Jingzhi's Behind-the-Scene Activities To Organize Attacks on Wang Meng

Attacks and counterattacks have occurred between He Jingzhi and Wang Meng, and this is an ideological battle between the stubborn and enlightened factions.

The battle has been moderate. But the thunderbolts of shouts for He Jingzhi's downfall outside the battlefield are storming He's dilapidated Ministry of Culture. Particularly worth noticing is the struggle taking place at higher levels, which has involved some Political Bureau and Standing Committee members.

He Jingzhi did not come on stage early at the beginning of the struggle with Wang Meng, and was only acting behind the attackers. He Jingzhi was hiding behind the scenes when the ultra-leftist journal WENYI LILUN YU PIPING [LITERARY THEORY AND CRITICISM] published early this year a Yan Zhaozhu article criticizing Wang Meng's *On Pluralist Literature* (entitled *On the Real Substance of Pluralist Literature*), and when WENYI BAO [LITERATURE AND ART] published Shen Ping's letter in the "Readers' Letters Column" criticizing Wang Meng's short story *Hard Thin Gruel* (the short story was published in the second edition of ZHONGGUO ZUOJIA [CHINESE WRITERS] in 1989. There was an inside story, not known to the outside world, about the background to the publication of this "reader's letter").

Numerous Setbacks for the Article That Criticized Wang Meng But He Jingzhi Saved It From Being Thrown Into the Dustbin

The critical article, published under the guise of a "letter from a reader," attacked Wang Meng's *Hard Thin Gruel* for insinuations and satirizing Deng Xiaoping and reform. This was a serious charge. It was to be published in RENMIN RIBAO. The leftist general Gao Di, RENMIN RIBAO director, was afraid to publish the article after reading it, because there is an informal convention within the CPC that articles that criticize people at or above the rank of Central Committee member by name must go through internal discussion and obtain approval before being run in newspapers. The returned "reader's letter" was sent to the famous "leftist" BEIJING RIBAO. But even the leftist general, Beijing Mayor Chen Xitong, dared not publish the article after he learned about the story. At last the script landed at WENYI BAO, the conservatives-run "organ mouthpiece" of the Chinese Writers' Association, which, like RENMIN RIBAO and BEIJING RIBAO, wanted to publish it but was afraid of trouble, and finally sought instructions from Acting Minister of Culture He Jingzhi. Perhaps He Jingzhi had been one of the readers of this "reader's letter" all along—at any rate, he let WENYI BAO publish the article without a second thought.

From this we can see that all the articles critical of Wang Meng and published in ultra-leftist publications have been He Jingzhi's ammunition against Wang Meng. Of course, Writers' Association Secretary Malqinhu, the leftist king who hates being described as such, would not stand idly by in this battle against Wang Meng.

He Jingzhi Finally Went on Stage To Criticize Wang Meng

When Wang Meng filed charges of libel and political persecution against WENYI BAO at the Beijing Municipal Intermediate People's Court, He Jingzhi, this ultra-leftist cultural apparatchik who had been masterminding and instigating the attack in the dark, was forced to emerge from behind the scenes and went on stage. He made a public apology at an enlarged Cultural Ministry party group meeting in connection with Wang Meng's lawsuit, saying: Comrade Wang Meng can always publish his view should he differ, and let the people judge which is the fragrant flower and which the stinking weed, and which is positive or negative for society.

He Jingzhi vehemently attacked opinions that differed from ultra-leftist literary and artistic viewpoints, blustering: "There is now a reverse undercurrent which forbids us from criticizing and chastising things which are wrong, reactionary, or negative for society. Whoever so much as criticizes or publishes criticisms will be condemned as 'ultra-leftist.' Should we just sit around watching the poisonous grass grow and not weed it? Is it true that our socialist system only allows the spread of bourgeois liberalization thinking, attacks on party leadership, libel on our leaders, party and state leaders, and does not allow counterattacks and criticism? What kind of logic is this? What kind of legal system is this?"

The Attempt To Climb on the Throne of Literary Czar

"Poisonous weed, bourgeois tendency, and attacks on leaders"—a pile of such charges heaped on Wang Meng and his works. This was the way the acting cultural minister treated his predecessor and freedom of creation, showing that he was acting as a cultural umpire. A writer hit the nail on the head when he said: "Zhou Yang had left the throne of literary czar. Now He Jingzhi is arrogantly climbing onto the throne."

The new literary czar stressed in his address to the enlarged Cultural Ministry party group meeting that there must be criticism against all works written on the principle of freedom of creation and not glorifying the powers-that-be, and he laid down a strait jacket for party writers, saying that "as a communist, his creations should of course reflect chiefly the party's general line and its glorious image." He urged eulogizer-writers to attack creations that strayed outside the strait jacket, saying: "We have no objections (obviously much more than "no objections!"—author's remark) to exposing and criticizing the leading non-Marxist and erroneous thoughts and the people engaged in bourgeois liberalization within the party. Moreover we must vigorously call for and uphold launching an ideological struggle within the party, purifying and boosting the strength of the proletarian advanced force, and making culture and art serve the socialist revolution and construction."

He Dreamed That Times Reverted to the 1950's

What He Jingzhi advocated was Mao Zedong's philosophy of struggle, which means class struggle. He still believes that the society under the CPC rule remains a class society and, therefore, communists must still pursue class struggle. He said: "Today we live in a class society, witnessing and experiencing the influences and trials of various environments. Whoever says that his art or works transcend today's world consciousness and do not carry the nature of class or represent it, is lying and cheating and fooling with the realistic world and will eat the bitter fruit he grows himself." He Jingzhi was right on one point. The present Chinese society is a class society. There is a privileged class that owns almost everything. This ruling class, like feudal dynasties before it, is a bureaucratic pyramid, its apex (or core) consists of a very small number of persons at CPC high levels wielding all the party, government, and military powers. The other class consists of the 1.1 billion population of ordinary folks. Of course, what He Jingzhi was urging was not people's struggle for human rights, democracy, and freedom, but the struggle of the ruling class against political dissidents. And the numerous political movements and struggle over the last 40 years, of similar contents and nature, have been just that. He Jingzhi and his backers, the stubborn old men like Chen Yun and Wang Zhen, are all dreaming of turning the clock back and reverting history to the 1950's and 1960's.

People Who Are Criticized Have No Channels for Complaints

The ridiculous thing was that He Jingzhi claimed at the meeting: "There is no warning line between people who criticize and those criticized. No side is enjoying any privilege and can attack and criticize and allow no defense or counterattack." This remark was ridiculous because facts had roundly slapped the acting cultural minister in the face. It is well known that after Wang Meng had filed the lawsuit, the Beijing Municipal Intermediate People's Court rejected the case with the ruling that the "reader's letter" was "normal literary criticism." Not content with the court ruling and claiming that the court had obstructed the due process of law by arriving at the decision without first holding a hearing, Wang Meng appealed to the higher court and was again quickly rejected. The fact that this defendant had found no channel to lodge his complaint was a great irony to He Jingzhi's remark.

Wang Zhen Was He Jingzhi's Protective Umbrella

Perhaps He Jingzhi knew he had only limited power, so he asked his backstage boss to come forward to defend his position, though all he could secure was an oral instruction from Wang Zhen, which was officially conveyed at the enlarged meeting: In the cultural system we must uphold the principles advocated by Chairman Mao in the address to the Yanan Forum, firmly struggle against all ideologies that oppose Marxism-Leninism-Mao Zedong Thought, and consolidate the

party's leading position in the cultural and artistic fields. A person attending the meeting quietly observed: "Wang Zhen has become a protective umbrella for He Jingzhi, and this has become unusually obvious."

Personages in Cultural Circles Request He Jingzhi's Dismissal

However, there were many people in the literary and artistic circles who supported Wang Meng. Many writers, poets, and playwrights had long deeply disliked He Jingzhi, this leftist general. He Jingzhi's appointment as acting culture minister had been a signal that literary and artistic fields would again plunge into an abyss. Since the Wang Meng event broke out, there had been a "turmoil" against He Jingzhi. In September and October, over 10 news units, publishing houses, and cultural associations in the capital wrote to the Central Committee and Li Ruihuan, in a personal or unit capacity, requesting that the Ministry of Culture be revamped and Acting Minister He Jingzhi dismissed.

Some party members and workers with the People's Publishing House wrote to the Central Secretariat pointing out that the Culture Ministry party committee was the stumbling block to the general principle of reform and opening up and a clique that disrupted stability and fosters separation. Some RENMIN RIBAO editors wrote letters revealing that He Jingzhi had been pursuing a double-faced tactic, recklessly laying political charges at cultural and artistic reformist efforts as a way to increase his political assets, bludgeoning comrades with different opinions.

The Central Secretariat Intends To Adopt "Corresponding Measures"

It is said that to prevent the "turmoil" from escalating and thus upsetting "stability," the CPC Central Secretariat is prepared to adopt corresponding measures. As of the time this article was filed, there was no news that He Jingzhi had been successfully toppled. It seems that He Jingzhi, who has powerful support behind him, is likely to stay on as acting cultural minister for a while. The combat between the stubborn and enlightened factions will continue to develop. The inner contradiction within CPC high levels is deepening.

After the occurrence of the "Wang Meng event," all of the cultural and artistic persons I have contacted side with Wang Meng. None belongs to the "He Jingzhi camp." One noteworthy thing is that the man who drew up the writ for Wang Meng is in fact a middle-aged lawyer with a sense of justice, who did not charge any service fees. A famous writer found this lawyer for Wang Meng.

"Wang Meng Has Already Won in the Moral Court"

Another thing that deserves mentioning is that the writ, through different channels, landed in the hands of many cultural and artistic persons and intellectuals, and, therefore, people understood all that actually happened and saw clearly He Jingzhi's ferocious ultra-leftist face.

People said: "In fact, He Jingzhi is in the defendant's seat and Wang Meng has won in the moral court."

However, common people, including ordinary party members and the rank-and-file, knew nothing about another battle that was being simultaneously waged in another corner of the battlefield.

That was the challenge and attack on Li Ruihuan, who is in charge of ideology and propaganda work. The attacking side consisted of He Jingzhi, Wang Renzhi, and others. These two "Zhi's" are the most hated leftist generals in Beijing intellectual circles. Of course, above these two Wang's is another Wang—Wang Zhen.

Wang Renzhi's Challenge and Mockery Against Li Ruihuan

In the second half of September, that is, shortly after WENYI LILUN YU PIPING launched attacks on Wang Meng, the Central Propaganda Department and the Central Party School organized a two-day report meeting on the future development of Marxism-Leninism. Wang Zhen, Deng Lihou, and Chen Yeping and others had been invited to address or make special reports to the meeting according to the agenda. But Wang Renzhi made a last-minute invitation to Li Ruihuan to lecture on the "state and revolution" in an attempt to catch Li Ruihuan off-guard—a serious challenge and mockery for Li Ruihuan. Wang Renzhi's later invitation to Li Ruihuan to lecture to journalists on "political economy" was also a move calculated to checkmate Li Ruihuan.

On 26 October, He Jingzhi and Xu Weicheng launched another challenge. They requested to see Li Ruihuan to report their work. When they met, He Jingzhi requested Li Ruihuan reveal his stand on the direction of WENYI BAO and Wang Meng's appeal move. Li Ruihuan said: Culture and art must serve the masses and cannot be divorced from current central tasks and reality. We must let the masses judge whether it is correct or wrong, good or bad. Each one of us here has only one vote.

Leftist Kings Jointly Signed a Petition to Jiang Zemin

On the problem of literary criticism, Li Ruihuan said that criticism must be fully based on reasonable arguments and facts. Any dogmatic or subjective criticism and disparagement hurt stability and unity within and without the party. We respect each comrade's creative choice. The overtone of Li Ruihuan's remark was clear enough and dealt a blow to He Jingzhi and the like.

On 2 November, the leftist kings staged another new, more fierce attack. Wang Renzhi, He Jingzhi, and Xu Weicheng managed to obtain 17 signatures (cadres at the ministerial level and Central Advisory Committee members), theirs included, to petition Jiang Zemin, CPC Central Committee general secretary, requesting the central authorities strengthen party leadership over propaganda, ideology, and culture and education, and attach importance to the propaganda and education of Marxism-Leninism-Mao Zedong Thought. The petition

said: Comrade Li Ruihuan has lost the initiative and leadership expected of him, which explains why the correct ideological guidance has so far not gained the status of main currents in cultural and artistic fields, and the comeback of non-Marxist intellectual thinking and bourgeois liberalization in a variety of forms.

The joint-signature letter was about 4,000 characters long and fully revealed their purposes, intentions, and targets.

Jiang Zemin: "We Must Respect Comrade Li Ruihuan"

According to sources: Having read the petition, Jiang Zemin immediately asked Li Tieying to tell Wang Renzhi and others that Comrade Li Ruihuan, assigned to take charge of ideological and propaganda work, has been highly praised for his jobs by the party Central Committee and the broad mass of cadres and people. The Central Committee and State Council ministers and commissions must conscientiously implement and carry out the spirit of central work conferences. Li Tieying also said, in relaying the message, that the Central Committee hopes that individual comrades at leading posts will strengthen their party spirit, refrain from forming cliques, and respect Comrade Li Ruihuan.

After the event, some people who had been criticized did not attend the 6 November party celebrating the 60th anniversary of the XINHUA NEWS AGENCY, pleading indisposition.

None of the attacks launched by leftist kings achieved the expected results. From this we can see that the current climate is not very favorable for any move by He Jingzhi and the like. But we are certain that they will not quit; that is to say, the struggle between the conservative and enlightened forces in the literary and artistic circles, and the related behind-the-scenes struggle, will continue and intensify.

Article on Carrying Out Party's Line

HK0612091491 Beijing RENMIN RIBAO in Chinese
25 Nov 91 p 5

["Strengthen Party Building" column by Wan Fuyi (8001 4395 5030): "Increase Consciousness in Carrying Out Party's Line"]

[Text] The party's line and resolutions are representative of the party's interests and will; resolutely carrying out the party's line and resolutions is the manifestation of Communist Party members' party spirit consciousness. Every Communist Party member should willingly temper his party spirit and set an example in resolutely carrying out the party's line and resolutions.

The party spirit requirements for Communist Party members in resolutely carrying out the party's line and resolutions are mainly reflected in the following points:

Maintaining political firmness. Communist Party members should not only support the party's line and resolutions in words, but more importantly, also resolutely

carry them out in their practical work. At the present stage, it is necessary for them to thoroughly carry out the party's basic line and various principles and policies. It will not be possible to smoothly achieve the great objective set forth by the party's basic line, and there will certainly be many difficulties and even some setbacks in the course of advance. When the party's work encounters difficulties and setbacks, Communist Party members should not be depressed or panic-stricken, and should not take an irresponsible attitude toward the party's cause; instead, they should show boundless loyalty to the party's cause and maintain political firmness, and should continue to indomitably carry out the party's line and resolutions and to dedicate their whole lives and energy to the development of the party's cause. In recent years, so-called "crises of belief" and "crises of trust" arose from time to time, and some people with weak willpower and weak party spirit even doubted "how long the red flag of socialism can be upheld." In the past, there were certain errors in the party's work; at present, the party's work is also facing some difficulties. However, the cause of socialist modernization in our country has in any case made great achievements attracting world attention. Communist Party members must not lose confidence when some difficulties occur in the process of advance, because this is not the mentality and style that they should have. Comrade Chen Yun has pointed out: "A Communist Party member should not only be faithful to the party's resolutions in his routine work, but also faithful to the revolution and to the party's resolutions in times of difficulty and at moments when their fate hangs in the balance; he should not only faithfully carry out the party's resolutions when he is being watched by the party, but also when he is not being watched by the party; and he should persistently carry out the party's resolutions not only in times of victory, but also in times of failure. Only when he has such a firm and undaunted heroic character can he be considered a good Communist Party member." (*Selected Works of Chen Yun (1926-49)*, p 75) Today, in the great practice of building socialism with Chinese characteristics, all Communist Party members should raise their morale; firmly maintain a conviction in socialism; carry forward the party's fine tradition of fearing no difficulties, fearing no sacrifice, and fighting bravely; and resolutely fight for the implementation of the party's basic line.

Maintaining a strong sense of principle. The Communist Party is a political party with lofty ideals and a strong sense of principle. In inner-party political life, the party's interests and principles come before anything else among comrades within the party. The party does not allow any behavior that harms the party's interests and principles and violates the party's line and resolutions. Therefore, in order to correctly carry out the party's line and resolutions, party members should take up the weapon of criticism and self-criticism and unfold positive ideological struggle, and should untiringly struggle against various incorrect ideas and deviations that go against the party's principles and position, especially against various

"leftist" and rightist erroneous deviations, thus guaranteeing the implementation of the party's line and resolutions. Every Communist Party member, especially every leading cadre of the party, must maintain a firm position and show a clear-cut attitude on issues of principle and on issues concerning the implementation of the party's line and resolutions. If he assumes a liberalist and appeasing attitude toward words and deeds that violate the party's principles and the party's line and resolutions and lets them spread unchecked, then he has given up his fighting mission as a communist and shows a lack of party spirit.

Maintaining the spirit of seeking truth from facts and making innovations. Communist Party members should unconditionally carry out the party's line and resolutions, but in the course of doing so they must also follow the party's ideological line of seeking truth from facts and carry out the party's line and resolutions in a creative manner in connection with the specific conditions of their own localities and units. That is, they must not merely mechanically copy and relay the party's instructions. In his essay "Opposing Book Worship," Mao Zedong criticized some comrades who "approached rigidly" the party's line and resolutions in a "conservative way" and with an "unrealistically optimistic attitude." He pointed out: People who thought that the resolutions of the party congress would guarantee permanent victory and that they would be invincible as long as they followed the established formulas "are completely wrong, and they are not following the Communist Party's ideological line of creating a new situation in the course of struggle but just following a completely conservative line. If such a conservative line is not discarded, it will cause great losses to the resolutions and will also harm those comrades themselves." (*Selected Readings of Mao Zedong's Works*, Vol 1, p 55) Mao Zedong's words are still of immediate significance for the current implementation of the party's basic line and various principles and policies. Our party's basic line is a correct line in keeping with Marxism. However, the actual implementation of this line and the achievement of the objective set forth by the party's basic line will still need to rely on the down-to-earth pioneering work of the whole party and the whole nation. Every party member and cadre must show a high sense of responsibility, work in a down-to-earth manner, avoid useless empty talk, and make contributions to the great practice of implementing the party's basic line and to the cause of building our country into a wealthy, powerful, democratic, modern socialist country with a high degree of civilization.

Religious Leaders Discuss Human Rights Issue

HK0612101891 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 47, 25 Nov 91 pp 8-9

["Special article" by Xue Jianhua (5641 1696 5478): "Religious Leaders in China Talk About Religious Believers' Human Rights"]

[Text] The Religion Committee of the Chinese People's Political Consultative Conference [CPPCC] National Committee held a seminar on human rights. The religious leaders attending the seminar expressed their views, saying that the White Paper on "Human Rights in China" published by the State Council Information Office is an authoritative document on the status of human rights in China, the status of religion in China declared by the White Paper completely corresponds with the facts, and the citizens of New China really enjoy the basic human right of freedom of religion.

Zhao Puchu, CPPCC vice chairman and chairman of the China Buddhist Association, said: The founding of New China has turned religious believers of various nationalities and patriotic figures in religious circles into the masters of the country and has enabled them to really enjoy freedom of religion, thus ending the dark days in which religious believers were oppressed and humiliated, patriotic figures in religious circles were persecuted, and imperialists and reactionaries controlled and disgraced religion.

He pointed out: In New China, citizens' freedom of religion is protected by the Constitution and the law. New relations of treating each other equally, showing mutual respect, living in harmony, and maintaining unity and friendship have been established between different religious groups and religious believers. All religious groups enjoy the support of central and local governments in building national or local religious organizations, in repairing monasteries and churches, in preserving religious relics, in developing religious education, in resolving self-reliance in religious circles, and in carrying out international religious and cultural exchanges. Religious believers' social and political position has unprecedentedly improved and they enjoy full political rights.

Zhao Puchu continued: The White Paper on "Human Rights in China" provides a host of facts and data on the country's human rights status, including religious beliefs. This enables people in the country and abroad to objectively and comprehensively observe and view the status of human rights in China. It also strongly refutes some people's comments distorting the facts about the status of human rights in China.

Bishop Zong Huaide, chairman of the Chinese Patriotic Catholic Association and acting chief of the Chinese Catholic Bishops College, said that facts speak louder than words: After the founding of New China, it began to formulate and seriously implemented a policy of freedom of religion. Religion has developed in China except during the "Great Cultural Revolution." Since 1978, the Chinese Catholic Church has selected and ordained some 50 bishops and 300 priests, run 13 seminaries and more than 30 nuns' colleges, and reopened 3,600 churches. There are now 3.7 million clergymen and laymen in the country, and about 50,000 people are baptized each year.

This religious expert, who has been engaged in missionary work for almost a half century, said that all this fully proved that human rights in China, including

freedom of religion, are fully protected and respected. No one can negate China's achievements in practicing human rights.

Shen Xiayi, chairman of the Chinese Islamic Association, pointed out that the number of Chinese Muslims who went on pilgrimages to Mecca mentioned by the White Paper was true. There are now 23,000 mosques and 40,000 imams in the country.

Shen Xiayi continued: Apart from enjoying equal democratic rights, people in religious circles also receive special treatment from the state. The Seventh National People's Congress [NPC] has 2,970 deputies, of whom 97 are people of 10 minority nationalities of the Islamic faith, accounting for 3.27 percent of the total number of deputies, whereas these 10 minority nationalities of the Islamic faith account for only 1.5 percent of the country's population. Now the Tatar, Uzbek, and Baoan nationalities, all numbering about 10,000, have their own NPC deputies and national CPPCC members. Now minority nationalities of the Islamic faith enjoy fully equal democratic rights. This was impossible in the period before the founding of New China.

Li Yuhang, chairman of the Chinese Taoist Association, said: People in religious circles had a low position in old Chinese society, and this was particularly so with Taoists. Between the late Qing Dynasty and the period of the Republic of China, some people in the south forced their children into temples to become Taoist priests because they could not make a living. These young Taoist priests' parents had to sign contracts with the relevant temples stating that they had severed relations with their children. Their parents had no right to ask about their children's lives in the temples. Here people did not even have the right to exist, let alone other human rights.

Li Yuhang added: Only after the founding of New China did we begin to enjoy "freedom of religion." Under the protection of the Constitution and the law, Taoists can independently organize religious activities and perform their religious duties. Taoists are living in harmony and developing together with other religious believers.

He continued: With the care and support of the CPC and the government, Taoist temples have been restored and repaired. According to incomplete statistics, more than 400 Taoist temples have now been reopened, there are some 80 Taoist organizations in different localities, and more than 5,000 Taoist priests live in temples. This serves as a guarantee for Taoists to openly engage in normal religious activities.

Living Buddha Quexi, vice president of the Chinese Higher Institute of Buddhism, recalled what the 10th Bainqen said on human rights. In 1988 Great Master Bainqen pointed out: "Human rights are really precious to the Tibetan masses. As one of the biggest serf-owners in old Tibet, I deeply understand how much 'human rights' these serfs had. But now as NPC vice chairman, I am also aware of the rights bestowed on the people by the Constitution and that Tibetan compatriots enjoy more

autonomy than the Han nationality in the rest of the country. All countries stressing the importance of human rights have their own laws, and no one is allowed to go against these laws."

Quexi cited a great many facts to prove that normal religious activities are ensured in Tibet in the course of improvement of the Tibetan people's economic life. He said: In terms of traditional Tibetan Buddhism, local governments in Tibet and Inner Mongolia have approved the opening of more than 3,000 monasteries. More than 120,000 monks and nuns live in these monasteries, of whom 1,700 are living Buddhas. Living Buddhas, monks, and nuns can all join the management of monasteries. Every day they sit in meditation and chant Buddhist sutra.

He continued: In recent years, the state has built Tibetan language institutes of Buddhism in Tibet, Qinghai, Sichuan, and Gansu. In September 1987, the state set up in Beijing the Tibetan Language Higher Institute of Buddhism, which has trained 160 senior religious activists. This was absolutely unimaginable in old China because there was serious discrimination against and oppression of minority nationalities and disunity between religious factions.

Quexi added: Here I would like to tell those people abroad who assert that the Tibetans have no human rights: The tremendous changes in Tibet over the last decades since its peaceful liberation are acknowledged by the world. Tibet is an inseparable part of the motherland. This is an unalterable fact. Instigating national separatist feeling or separating Tibet from China will only lead to the restoration of feudal serfdom and turn Tibet into a dependency of foreign capitalists. In such a case, the Tibetan people will once again be plunged into the abyss of suffering where they will be exploited and enslaved.

NPC Adviser on Protecting Minors' Rights

*OW0612131391 Beijing XINHUA Domestic Service
in Chinese 0612 GMT 6 Dec 91*

[By reporters Lu Jing (4151 0513) and Wen Jihua (2429 4949 5478)]

[Text] Beijing, 6 December (XINHUA)—A Chinese legal expert pointed out here that the protection of minors' rights is part of human rights protection and that realistic and effective protection of minors' rights is yet another clear proof of China's efforts to protect human rights.

Professor Yu Shutong, adviser to the Internal and Judicial Affairs Committee of the National People's Congress (NPC), who was here attending a seminar on the UN Convention on Children's Rights, which concluded today, expressed this opinion during an interview with these reporters.

Professor Yu Shutong believes that the Convention on Children's Rights is creditable UN legislation concerning human rights, and its gradual popularization and implementation would be conducive to upholding

human rights. He said: In line with the basic guidelines of the UN convention, the Law on the Protection of Minors adopted last September by the NPC Standing Committee, China's highest organ of state power, extends and sets out the scope of protection for juveniles and children in the light of the actual situation in China.

Yu Shutong said: The Law on the Protection of Minors clearly stipulates the political, economic, and social rights of minors; spells out their specific entitlement to protection in maternity and child care, education, culture, and other fields; and provides special protection for handicapped, retarded, and even misguided children. In over 40 years of practice, China has made astonishing achievements in the protection of children's rights.

In the case of the right of education, according to statistics compiled by relevant departments in 1990, the schooling rate for Chinese children aged between 7 and 11 topped 97.88 percent, while primary education had been popularized in 76 percent of the counties in China. The primary school dropout rate was 2.4 percent—a 41-year low since liberation. In the case of maternity and child care, 1990 statistics show that the infant mortality rate dropped from 200 per 1,000 before liberation to 35 per 1,000, while the percentage of inoculated children had reached 85 percent in China. Furthermore, it has been learned that the Outlines of the Development Plan for Chinese Children for 2000, currently under deliberation by relevant ministries and commissions of the State Council, has set a task of further reducing the infant mortality rate by one-third during the period from 1990 through 2000.

Professor Yu Shutong said: The effective protection of minors' basic rights by the state and society is a concrete reflection of China's efforts in protecting human rights. Human rights are not an illusory concept or an abstract slogan, much less a political tool for pursuing hegemonic politics or interfering in others' internal affairs.

He said: The formulations of several laws concerning human rights, such as the Law on the Protection of Minors and the Law for Protecting the Handicapped that were drawn up in the past two years, as well as the Law for Protecting Women's Rights currently under deliberation, are all significant steps designed to benefit future generations in the thousands of years to come. He said: Fully protecting the rights of nearly 400 million minors, more than 500 million women, and 58 million handicapped people in China will not only promote national stability and prosperity but also make a great contribution to human rights protection as a whole.

The three-day seminar on UN Convention on Children's Rights was jointly sponsored by the All-China Women's Federation, the All-China Youth Federation, the Law Society of China, and UNICEF.

Identity Card System Operating Nationwide

OW0512154791 Beijing XINHUA in English
1410 GMT 5 Dec 91

[Text] Beijing, December 5 (XINHUA)—Over 757 million Chinese citizens had received identity cards by the end of March this year and another six million got temporary ID cards, representing 93 percent of the residents 16 years old and over.

China started to issue ID cards to its citizens in 1984 to cope with the country's changing social conditions and to update its management of the household registration system.

At present, the ID card has become a major pass for citizens, and most keep the card on their person for ready use.

Meanwhile, departments such as railway, aviation, communications, banks and hotels have also made checking the ID card a regulation.

The ID card system has helped ensure the legitimate rights of the citizens and it helped the police a great deal in recent years in finding lost relatives for Overseas Chinese, and in investigating criminal cases.

So far, the majority of China's Public Security Bureaus above county level have established special offices for keeping the original texts of the ID card.

A meeting was held today in Beijing to award those who have made outstanding contributions toward accomplishing this project.

Qiao Shi Meets Units, Workers

OW0612142991 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 6 Dec 91

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 6 December (XINHUA)—Thanks to efforts made by China's more than 2.4 million working personnel and public security organs at all levels for five years, currently more than 750 million citizens in our country are holders of resident identity cards. Today, the Ministry of Public Security commended in Beijing 404 units and 8,183 persons that have made outstanding achievements in issuing resident identity cards.

Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and secretary of the Central Political and Legal Commission; Peng Chong, vice chairman of the Standing Committee of the National People's Congress [NPC]; Luo Gan, secretary general of the State Council; and others met at Huairentang in Zhongnanhai this morning with all representatives who attended the national commendation meeting on identity card work. Comrade Qiao Shi pointed out: The resident identity card work is quite important and is a job of laying foundations. He expressed the hope that public security organs in all places will do identity card work still better on existing foundations.

In 1984, approved by the party Central Committee and the State Council, our country adopted the resident identity card system. In September 1985, the NPC Standing Committee approved the promulgation of the "Regulations Governing the Identity Cards of the Residents of the People's Republic of China." In 1986, after tests were conducted in 10 major cities, including Beijing, Tianjin and Shanghai, the promulgation of resident identity cards started on a countrywide basis. At present, the first task of issuing resident identity cards across the country has been basically fulfilled. Throughout the country, 93 percent of the residents who should hold identity cards have received their resident identity cards. The management, use and examination of resident identity cards are also basically regularized. In addition, over the past few years, 103 resident identity card production centers and stations have been built one after another across the country.

Tao Siju and Bai Jingfu, minister and vice minister of Public Security respectively, spoke separately at the commendation meeting. They pointed out: The adoption of the resident identity card system is a significant reform of China's permanent residence management system and an important measure to strengthen the state administration and management. It creates a way to use credentials for controlling China's permanent residence. Along with the deepening of resident identity card work, citizens and departments have greatly raised their awareness of using their resident identity cards. The vast number of masses and departments concerned have regarded their resident identity cards as the principal credentials which have legal effect and can certify their citizen's status. People have gradually made it a good habit to carry resident identity cards with them whenever they leave home, while persistently using and examining resident identity cards has increasingly become a necessary work procedure in all departments concerned in society. In addition, resident's identity cards play an important role in terms of protecting citizens' legitimate rights and interests, strengthening social management, preventing and combating crimes, and safeguarding economic order and social stability.

Tao Siju and Bai Jingfu called for all public security departments to firmly regard strengthening day-to-day management as the key points in future resident identity card work, seriously help the masses apply for resident identity cards, and continue to deepen the use and examination of resident identity cards.

Procurators Discuss Draft of Anti-Graft Law

OW0612122591 Beijing XINHUA in English
1104 GMT 6 Dec 91

[Text] Beijing, December 6 (XINHUA)—The draft of China's first anti-graft law is being discussed by the country's procurators as they attend their on-going annual working conference in Beijing.

The procurators hold that the changes in economic activities have spawned more complicated crimes of

bribery and embezzlement; this, they said, calls for a special anti-graft law to be drafted.

Deputy procurator-in-chief, Xiao Yang, who is leading the work of drafting the law, says that, such a law with more accurate and specific stipulations can better deal with bribery and embezzlement.

The law will mete out more severe punishment to government officials convicted of bribery and embezzlement, and to better preserve the socialist relations of property.

The draft law will also reflect the changing needs economic development produced for legal codes.

Railway Police Crack Down on Theft, Drugs

OW0612175291 Beijing Central Television Program
One Network in Mandarin 1100 GMT 6 Dec 91

[From the "National News Hookup" program]

[Text] The railway public security organizations, after three months' thorough investigation, have discovered a very serious case of theft, drug trafficking and drug taking. Twenty-nine criminals from Baotou wandering from place to place, committing crimes, were arrested in accordance with the law today. [video shows closeups of several criminals]

On 28 July, a criminal was arrested by cadres and policemen of the Beijing Railway Public Security Bureau, while trying to steal on board a train about to depart from Beijing's South Station. After investigation, the Beijing Railway Public Security Bureau found leads which led to the arrest of more criminals. Those criminals, with (Yang Zhengjun) as their leader, were addicted to narcotics and flagrantly committed crimes on board trains on Beijing-Guangzhou, Beijing-Baotou, and Beijing-Shanghai railways. They committed more than 20 crimes on board passenger trains in Beijing and other localities and stole more than 50,000 yuan from passengers. They used the stolen money to buy drugs.

The Public Security Bureau of the Ministry of Railways organized the Beijing Railway Public Security Bureau, the Hohhot Railway Public Security Bureau and police forces of Beijing, Shijiazhuang and Baotou public security departments to establish a special joint investigation group to investigate the case. Cadres and policemen went to Baotou and Harbin in northern China and Nanchang and Chengdu in southern China, investigating the case for more than three months. They detected 106 criminal cases on board 37 passenger trains on Beijing-Chongqing and Beijing-Shanghai railways and arrested a number of criminals who were trafficking and taking drugs. They confiscated 41.5 grams of heroin and various stolen items and money with a total amount of more than 150,000 yuan.

Labor Reform Institutions Improve Medical Care

HK0612014691 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0842 GMT 5 Dec 91

[Text] Hong Kong, 5 Dec (ZHONGGUO TONGXUN SHE)—According to sources from mainland labor reform departments, there is now in place a medical system in labor reform institutions that boasts 30,000 medical technical staff, some 30,000 beds, and close to 4,000 large medical equipment items offering convicts guaranteed medical services.

Sources pointed out that based on humanitarian grounds, the mainland has injected huge funds into building medical institutions in the labor reform system. Many provinces, cities, and autonomous regions have established a medical security system that features a central hospital for the labor reform administration corp, hospitals for columns [zhi dui 2388 7130], medical stations or professional medical staff for battalions [da dui 1129 7130] and detachments [zhong dui 0022 7130]. Throughout the country, this medical and health system in labor reform institutions ensures that the ratios between medical staff and patients, beds and medical facilities all surpass their counterparts in civilian society.

Academic Lauds Returned Intellectuals

HK0412063091 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 20 Nov 91 p 2

[Article by Lu Jiaxi, former president of the Chinese Academy of Sciences and now vice chairman of the Chinese People's Political Consultative Conference National Committee, executive chairman of the Presidium of the Chinese Academy of Sciences, and president of the Association of Fellow Students Who Returned From the United States and Europe: "Striking Root in Chinese Soil"]

[Text] Chinese intellectuals possess a lot of fine traditions, which include patriotism, national integrity, and a spirit of selfless devotion. In order to build a strong and prosperous motherland, they pursue truth and explore ways of national salvation and development. In order to rejuvenate the Chinese nation, they have traversed a rough and bumpy road and even laid down their precious lives. After the founding of New China, regardless of difficult living and working conditions at home, some of them gave up comfortable living and working conditions abroad and resolutely decided to return to the motherland to participate in the socialist construction of New China. During the decade-long turmoil, they suffered a great deal. Nevertheless, they still maintained strong faith and indomitable will. When the spring of science reappeared, they once again threw themselves into the mighty torrent of reform and opening up. The spirit they have displayed in enduring humiliation in order to carry on important missions and in silently devoting themselves to the motherland and science will forever live in the hearts of the people. They have made

indelible contributions to the history of scientific and technological development in our motherland. As one of them, I feel proud indeed.

Science and technology is the common treasure of mankind and is beyond national boundaries. However, scientists never forget their own motherland. The motherland is a land in which we have lived, rested, and multiplied for generations. We have been nurtured by the people of the motherland ever since our childhood. Developing science and rejuvenating China is an unshirkable duty of each and every scientific and technological worker. Shortly after the Second World War ended in 1945, I gave up my research work in the United States and hurriedly boarded a cargo ship, the first one that allowed me on board, and returned to the motherland which I had left eight years before. In the United States, I had excellent research conditions and lived a comfortable life. I was aware of the difficult conditions at home, but had still decided to come back in hope of contributing my scientific knowledge to the motherland where I had been born and nurtured. Soon after New Year's Day in 1946, I arrived at Xiamen University, my alma mater, and became professor of chemistry and dean of its chemistry department. At that time, due to the destruction and attrition wrought by the eight-year Japanese war of aggression against China, the chemistry department at Xiamen University was lacking in necessary equipment, sufficient chemical reagents, and academic information. In the Kuomintang-controlled areas, prices were soaring and people lived in dire poverty, with many on the brink of starvation. Scientific research and national salvation through science became a mere fantasy.

In October 1949, we greeted the founding of the PRC and the dawn of our motherland's education and science at Xiamen University.

The CPC and the people's government attached great importance to education and intellectuals. After the founding of the PRC, I was elected people's deputy to the First Xiamen City People's Congress and was appointed president of the faculty of sciences and deputy dean of studies at Xiamen University. Since the Third Plenary Session of the 13th CPC Central Committee, the line of reform and opening up has created favorable and excellent conditions for a scientific and technological takeoff. I believe that the correct road for national development is through science. My past ideal of national salvation through science has now been realized in the process of national development through science.

In August 1960, I was transferred to do preparatory work for the establishment of Fuzhou University and a Fujian-based scientific research institute under the Chinese Academy of Sciences. Later on, I gradually shifted my work to the Fujian Material Structure Research Institute under the Chinese Academy of Sciences. In accordance with the characteristics of a material structure research institute, we worked out a plan and a guiding ideology for setting up the institute: To set up lofty aspirations and ideals, build the material structure research institute into one of China's comprehensive structural chemistry research centers with salient Chinese

characteristics, integrate experiments with theory, chemistry with physics (or with other nonchemical subjects), structure with function, static state with development, and basics with application by basically focusing on the former rather than the latter in each of these groupings. Thanks to the concerted efforts of the institute staff, the institute gradually shaped its own research orientation and content. Over the past 10 years, the institute has scored phenomenal achievements in research on chemical analogue biological nitrogen fixation [hua xue mo ni sheng wu gu dan 0553 1331 2875 2362 3932 3670 0942 8644], transitional metal atomic chemistry [guo du jin shu yuan zi cu hua xue 6665 3256 6855 1466 0626 1311 4662 0553 1331], protein crystal structure from Chinese trichosanthes root, nonlinear optical high tech crystal materials, laser crystal materials, and so on. These achievements have drawn attention from relevant academic circles at home and abroad. In our research on nitrogenase activated chemical simulators and transitional metal atomic chemistry, we have gradually formulated and established a series of new and creative academic thoughts which have been acclaimed by foreign experts in the same fields. The successful research, batch process, and export of nonlinear optical high tech crystal material and various other high tech laser crystal materials have greatly enhanced the international prestige of China's scientific and technological circles. Whenever I think of the ideal I cherished before the founding of the PRC, that of saving the country through science and my own practice aimed at developing the country through science and technology after the founding of the PRC, I am convinced that it is the socialist system that has liberated science and technology, which are the primary productive forces, and illuminated the road along which our country's science and technology has developed as well as the road along which intellectuals like me have advanced, and that it is the great socialist motherland that has created the conditions and opportunities for us to give full play to our skills and talents, render our services, and make our contributions. Only after taking root in the soil will a tree grow. Only by striking root in China, a large and fertile land, will Chinese intellectuals be able to grow into towering trees. Our fate is closely linked with that of the motherland forever. Our cause is in China.

Scholars Urge Study of Famous Tang Buddhist

OW0512151191 Beijing XINHUA in English
1401 GMT 05 Dec 91

[Text] Beijing, December 5 (XINHUA)—Leading Buddhist scholars in China recently proposed that studies of the famous Tang Dynasty (618-907) Buddhist, Xuan Zang (602-664), should be initiated and that his former residence should be renovated to promote international cultural exchanges.

Xuan Zang, a famous Buddhist monk who is popularly known as tang seng, was a Yinming—the logic of reasoning—philosopher, a translator and traveller. He has long been one of the world's noted cultural figures.

Xuan Zang devoted his life to the spread of Buddhism, and is well-known for his pilgrimage to India where he

collected over 1,300 volumes of Buddhist sutras, which he translated into Chinese upon his return to China.

Xuan was the first to introduce Lao Zi (Lao Tse), a famous ancient Chinese philosopher, to the Indian people by translating the *Dao De Jing* or "Book of the Way" into Sanskrit.

His book, *Notes of a Trip To the West During the Great Tang Dynasty*, has long been known for its high academic value for the study of the ancient history and geography of India, Pakistan and other central Asian countries.

A number of scholars, including Ji Xianlin, a Sanskrit expert from Beijing University, Li Rongxi, first vice-president of the Buddhist Association of China, who translated *Biography of Buddhist Xuan Zang* into English, and Huang Xinchuan, director of the Institute of Asia and the Pacific at the Chinese Academy of Social Science (CASS), suggested that in-depth studies of Xuan Zang should begin immediately.

They also said that a research center for the study of Xuan Zang should be established either in Beijing, or in his birthplace, Goushi County in central China's Henan Province. In addition, they said that an academic journal on the study of Xuan Zang should be launched, and national and international academic exchanges related to the topic should be promoted.

They also suggested that a Xuan Zang Memorial Hall be built and a statue of the famous Buddhist commissioned.

Goushi County began a fund raising program in May of this year to rebuild the Xuan Zang residence, which will become the center of Xuan Zang study. And construction is expected to be completed within three years.

Qian Qichen Inscribes Name for Coin Show

OW0412010291 Beijing XINHUA Domestic Service
in Chinese 1537 GMT 3 Dec 91

[By XINHUA reporter Wang Hongyang (3076 3163 3152)]

[Excerpts] Shanghai, 3 December (XINHUA)—Some 3,000 pieces of currently circulating coins and commemorative coins from 180 countries and regions were exhibited at the Shanghai "International Coin Show" today. [passage omitted]

Foreign Minister Qian Qichen inscribed the name of the coin show. [passage omitted]

Nie Rongzhen Inscribes for Calligraphy College

OW3011161491 Beijing XINHUA Domestic Service
in Chinese 0347 GMT 30 Nov 91

[Text] Beijing, 30 November (XINHUA)—Marshal Nie Rongzhen recently wrote an inscription for Chinese Painting and Calligraphy Correspondence College: "Develop Painting and Calligraphy Correspondence Education Well." Marshal Nie's inscription expresses

the profound solicitude and ardent expectations of proletarian revolutionaries of the older generation for developing the motherland's painting and calligraphic art.

The Chinese Painting and Calligraphy Correspondence College, sponsored by the Chinese Painting and Calligraphy Society for the Aged, is a mass, social art school with its campus located in Beijing. This college and the painting and calligraphy correspondence institutes and schools in all localities across the country are being jointly run to train painters and calligraphers who are of good character and scholarship and have a college education. Since this correspondence college was founded six years ago, nearly 200 institutes and schools in all places across the country have participated in the joint running of the college. More than 2,000 painters, calligraphers, professors and teachers have been teaching in this college, while the number of students studying in it has exceeded 100,000. In the past four terms, over 70,000 students have passed the examination and graduated or completed their studies. Graduates' works of excellence were exhibited one after another at the Chinese Art Gallery and the Chinese Painting Academy and were well received by painting and calligraphy experts and personages in all circles.

At present, while further improving the quality of teaching, this correspondence college is developing in the multitier and multichannel direction from the unitary "college pattern" and expanding to counties, townships, towns and the vast world of the rural area from the unitary "pattern of large and medium-sized cities running schools." The college is making efforts to develop painting and calligraphy correspondence education to a new stage.

Bookstore Capital Branch Fetes Fifth Anniversary

OW3011181191 Beijing XINHUA in English
1539 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—Some 1,000 people from all over the country celebrated the fifth anniversary of the founding of the capital distribution branch of the XINHUA bookstore here today.

According to an official, the branch has made great efforts to publish books and providing bookstores and publishing houses with high-quality services since it was established five years ago.

Statistics show that the branch has published more than 16,000 varieties of books. It earned 100 million yuan (about \$20 million) in 1991, a three-fold increase compared with 1986, when it was established.

In addition, it has provided over 100 publishing topics for publishing houses.

The branch has set up long-term co-operative relations with more than 200 publishing houses and some 3,000 retail bookstores all over the country.

Science & Technology

Wan Li, Zou Jiahua Laud Shenzhen Inventor

OW2811224191 Beijing Central People's Radio
Network in Mandarin 2230 GMT 27 Nov 91

[Report by reporter Xu Yongqing from the "News and Press Review" program]

[Excerpts] (Zhou Dejun), a famous worker-inventor and industrial technician in Shenzhen who is the president of the (Taikang) Company, recently invented a non-stop quick-change work-holding drilling machine of an advanced international standard. The relevant departments have decided to send the invention to the World Inventions Fair, to be held in Germany next year. By using the machine, a worker can change the bits of a drill in 2 seconds and increase its efficiency more than three times. [passage omitted]

Leading Comrades Wan Li, Ni Zhifu, and Zou Jiahua fully affirmed the invention and suggested that it be popularized in Chinese-made lathes. The State Planning Commission and the State Science and Technology Commission have designated the invention as a key state technological project to be popularized and applied throughout the country.

(Zhou Dejun) demonstrated his invention when he visited Britain, the United States, Thailand, and Hong Kong, winning high praises from people there. British experts called his invention a miraculous work-holding machine and its Chinese inventor a super-genius.

Li Tieying, Others View New Photography Technique

OW0112131591 Beijing XINHUA Domestic Service
in Chinese 2210 GMT 30 Nov 91

[By reporters Zhang Jimin (1728 4949 3046) and Ma Kuijun (7456 7608 0689)]

[Excerpts] Beijing, 30 Nov (XINHUA)—An unusual event in history—a brand-new color photography technique has been invented in China. A Nankai University research group led by Professor Mu Guoguang, president of the school, has successfully developed a technique for taking color pictures with black and white film. [passage omitted]

Li Tieying, Song Jian, Zhou Guangzhao, Wang Daheng, Tsung-dao Lee, Chia-liu Yuan, and other well-known Chinese and foreign figures have successively visited the school and watched demonstrations of the technique. They unanimously described it as a major technological breakthrough. [passage omitted]

Zou Jiahua Urges Rapid Application of Computers

OW0112065791 Beijing XINHUA Domestic Service
in Chinese 1120 GMT 30 Nov 91

[By RENMIN RIBAO reporter Liu Guilian 0491 2710 5571) and XINHUA reporter Zhu Youdi 2612 1635 2769]

[Text] Beijing, 30 Nov (XINHUA)—Zou Jiahua, vice premier of the State Council, visited the 1991 National Exhibition of Application of Computer Technology on 29 November. He pointed out that it is essential to speed up the development of computer technology and actively promote its application because it has an important bearing on promoting China's economic development and increasing China's efficiency in production and construction.

Zou Jiahua said: The realization of the four modernizations is directly related to the popularization and application of computers. The development of computers is closely related to the development of the electronics industry. Computer technology is being extensively used in our country, which is developing from some localities to the whole region, from individual computers to networks, and from certain enterprises to all trades. It has achieved apparent economic and social benefits. Computers can not only give play to their role in the aeronautics and astronautics industry, finance, posts and telecommunications, railways, transportation, and other industrial departments, but also have broad prospects in agriculture, meteorology, and other fields. The application of computers is also closely related to the people's daily life. During the "Eighth Five-Year" Plan, our country will adopt effective measures to speed up the development of the computer industry.

Accompanied by Zeng Peiyan, vice minister of machine-building and electronics industry, Zou Jiahua visited various exhibition rooms which showed the application of computer technology in finance, energy source, transportation, metallurgical and chemical industries, information management, and automation and control in office work. He carefully inquired about the capability, application, and domestic production of various computers and computer systems. Zou Jiahua said: The purpose of sponsoring such an exhibition is to promote the application of computer technology. We should use vivid and direct methods to help the broad masses further understand the role of the computer and speed up its application. We should also raise the level of domestic made computers. Zou Jiahua also used the satellite communications system of the Tibet Computer Control Network, which was set up jointly by the Tibetan Posts and Telecommunications Administration and the Beijing Wire Communications Equipment Plant, to have a telephone talk with Lhasa.

Gu Mu and Qian Weichang, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference, and other leaders of departments concerned—including Lu Dong and Li Senmao—also visited the exhibition.

Technology Seen As 'Major Impetus' of Growth

HK0412060191 Beijing CHINA DAILY in English
4 Dec 91 p 2

[Text] The country's share in the international technology market has been growing vigorously and it is now

becoming a major impetus to China's economic growth, a senior official said yesterday in Beijing.

Promoting scientific and technological co-operation between China and other nations is a major part of China's policy of opening to the outside world, said Zhou Ping, vice-minister of the State Science and Technology Commission.

Zhou made the remark at the opening ceremony of the Beijing International Techmart '91 on Monday [2 December]. The market will be focused on technical exchanges and transference in fields including chemical engineering, light industry, metallurgy, electronics and high-tech.

Zhou said the market will also serve as a bridge linking science and technology with industrial production.

The Chinese Government attaches great importance to the commercialization and industrialization of technology, and Chinese people have never been as keen as they are today about the technology market, he said.

The techmart keeps up with both the world trends and the demands of Chinese enterprises, he said.

Scientists from 27 countries and international organizations will display their fresh technical fruits in the two-storey exhibition hall at the Institute of Scientific and Technical Information of China (Istic), which is near the Military Museum in the western part of Beijing, and negotiate on transference of their technology.

Nine reports on technical transfer will be given and a round-the-table discussion on followup activities will be held at the end of the techmart.

The five-day event is sponsored by the Istic, United Nations Industrial Development Organization (Unido) and the Technology Exchange Ltd of United Kingdom.

Article Views Domestic Nuclear Power Industry

OW2811102991 Beijing XINHUA in English
0842 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—The Qinshan Nuclear Power Plant, located on the coast of the Hangzhou Bay in east China's Zhejiang Province, the first of its kind designed and built by China itself, will become operational next month, the latest issue of NEW CHINA QUARTERLY reported.

Li Yingxiang, director of the general office of the China Nuclear Industry Corporation, discussed the development of China's nuclear power industry in an article in the magazine.

"China now becomes the fifth country in the world capable of designing and building nuclear power plants, after the Soviet Union, the United States, Britain and Canada," Li said.

Construction work on the first-phase project of the Qinshan Nuclear Power Plant started in March, 1985. The first-phase project with an installed capacity of 300,000 kw [kilowatts] after completion will generate 1.7 billion kwh [kilowatt hours] per year, the article said.

Chinese scientists did scientific research first and put safety above everything in designing. And a strict control was exercised to ensure the quality of engineering work and equipment. "Safety first" has been the foremost requirement in all the construction stages, including the selection of the type of a reactor, fuel assembly, structural materials and equipment installation.

To meet the requirement, China has conducted a great deal of scientific research and technological experiments in the early 1970s and completed 264 scientific research projects to provide the scientific foundation for the construction of the Qinshan Nuclear Power Plant, said Li.

The Qinshan Nuclear Power Plant adopts the pressurized water reactor (PWR) which is commonly used by nuclear power generating countries. It ensures much more safety, he said.

Protective measures have been taken in all links, including the installation of multi-barriers, and monitoring and warning systems.

Measures against possible accidents and natural disasters, such as earth-quake, tide, flood, typhoon and tornado, have been taken so as to prevent environment pollution by radioactive fallout and guarantee the safety of relevant buildings, systems and equipment.

The Qinshan Nuclear Power Plant will also adopt a strict management to ensure quality programs. Safety licence system, supervision and inspection by the state have been taken in various stages of the engineering construction, the article said.

After the basic completion of the plant, an overall testing and adjustment is done as an important step to appraise the project design, the construction quality and the equipment. So far the Qinshan plant has completed the pre-operational tests prior to the installation of nuclear fuel, including the pressure resistance of the reactor main system, the rotation of the turbogenerator, the strength and sealing of the whole safety containment as well as fuel feeder.

The two serious accidents which had happened in the world nuclear history were caused by errors in operation and management.

The Qinshan plant has paid special attention to training operators and stipulation of management system. Operators in the main control room are all college graduates in their thirties. Those who will take charge on duty must have experience of more than 3,000 operating hours of reactors. Before taking up the post, they must be trained or taken [as received] fieldwork at nuclear power plants in other countries, or trained with the domestic nuclear plant simulator.

Under the strict supervision of China's National Nuclear Safety Administration (NNSA), they must have passed examinations and have the certificates of such qualification.

In building the Qinshan Nuclear Power Plant, China has also invited foreign designing companies for consultancy and drawn their useful suggestions. The equipment and materials for the plant are mainly manufactured by domestic firms. Some key equipment and parts are imported.

Li also said in his article that the Guangdong Daya Bay Nuclear Power Plant now under construction is an embodiment of China's open policy to the outside world. As a joint venture, the plant imports the reactors from France and the turbogenerators from Britain and France. The overall design of the plant is undertaken by the French Power Corporation.

To be completed in 1993, the plant will have an annual capacity of electricity generation of 10 billion kwh, and will supply electricity to Guangdong Province and Hong Kong.

Before the end of this century, China will concentrate its efforts to master the nuclear power technology and build a nuclear industrial system so as to lay a solid foundation for large-scale nuclear power development in the next century, Li said.

Uranium Deposits Discovered

OW0312061891 Beijing XINHUA Domestic Service
in Chinese 0810 GMT 2 Dec 91

[By reporter Zhu Youli (2612 1635 2769)]

[Text] Beijing, 2 Dec (XINHUA)—This reporter has learned from the ongoing conference of the China Mining Industry Association that a dozen or more types of uranium deposits have been discovered in uranium-rich China, enough for China to develop its medium-term nuclear industry.

It has been learned that various kinds of uranium deposits with industrial value have been found in almost every province and autonomous region of China. The aggregate resources are quite abundant. The uranium is attached to granite, volcanic rocks, sandstone, carbon-silicon mud and rocks, carbonate, quartzite, phosphorite, and in coal. China has presently mastered a set of techniques for uranium mining and smelting, some of which have reached advanced international levels. It also has made a breakthrough in ventilating uranium mines and in radiation protection. China has built dozens of uranium mines, uranium radiation separating plants [you kuang fang she xing fen xuan chang 6914 4349 2397 1410 1840 0433 6693 0617], metallurgical plants, and joint mining and metallurgical enterprises and has an integrated uranium metallurgical industry. These measures will meet the demands for nuclear fuel and facilitate the development of China's nuclear industry.

China has started to develop its nuclear power industry. The 300,000-kW [kilowatt] Qinshan Nuclear Power Plant,

designed and built by China itself, will start generating power by the end of this year. The installation of the nuclear power generating unit, imported by Daya Bay Nuclear Power Plant in Guangdong, is scheduled to be completed in 1993. Chen Zhaobo, vice president of the China National Nuclear Industry, said: The development of nuclear power has set a still higher demand on China's nuclear industry and uranium metallurgical industry and has opened up new vistas. We not only want to meet the increasing demands for uranium materials in developing nuclear power, but also should reduce the cost as much as possible to make nuclear power more economical.

Minister Vows To Clean Up Coal Industry Output

HK0312051891 Beijing CHINA DAILY in English
3 Dec 91 p 1

[By staff reporter Zhou Jie: "China To Push for Clean-up of Coal"]

[Text] China's dirtiest culprit—coal—will be the target of intensified efforts by the government, an official with the State Science and Technology Commission said yesterday.

Deng Na, vice minister of the commission, vowed to speed up reprocessing of coal into clean and secondary energy sources such as electricity, heat and gas, and to encourage energy conservation and downplay coal as an energy source.

Coal is currently China's major energy source, accounting for 76 per cent of the total energy. Most coal is burned as a direct source for heating or power. China ranks third in the world in emissions of carbon dioxide—the major gas contributing to the "greenhouse effect"—from fuel burning.

Although an increase in coal use is inevitable as the country's economy develops, "China's energy-environment strategy is to advocate energy-saving production and lifestyles, promote technological renovations and adjust the structure of energy consumption," Deng said.

"We also will speed up the development of hydropower, nuclear power and natural gas," the newly-promoted vice-minister told the ongoing International Conference on Environmentally Sound Coal Technology.

More than 150 environmental experts and officials from 30 countries and international organizations attended the conference to share experience and technology. Co-sponsored by the commission and the United Nations Centre for Science and Technology Development (UNCSTD), the conference is one of a set of preparation meetings before next year's United Nations Conference on Environment and Development, which is expected to draw up important international environmental protection policies.

Energy conservation through greater efficiency is a key component of China's strategy, Deng said. Per-unit energy

consumption for major products in this country is 30 per cent higher than that of developed countries, she noted.

"The contradiction that co-existence of an energy shortage crisis and considerable waste of energy indicates both the great potential and benefits in energy conservation," said Deng.

In the past 10 years China has successfully taken a set of energy conservation and development steps, but being a developing country, China feels the constraints in technology and funding, she said.

The cost makes it difficult for China to develop such advanced clean coal technologies as gasification and liquification of coal, as have been adopted by advanced Western countries.

"We hope the international community will transfer these new technologies on favourable or non-commercial terms and provide additional and sufficient funds to ensure the implementation of the technology," Deng said.

Official on Fight Against Energy Pollution

HK0312052891 Beijing CHINA DAILY in English
3 Dec 91 p 4

[By Zhao Feng: "'Clean' Energy in Race Against Pollution"]

[Text] Coal, oil and gas have long been the most favoured energy sources in China but now their glory is on the wane as they cause increasingly serious pollution to the environment.

Naturally, clean and renewable energy resources such as solar power, wind and tide are gradually gaining the edge on these veterans.

"However, it is too early to ask the elders to retire," said Wu Changlun, a senior engineer with the Department of Resources Conservation and Comprehensive Utilization, under the State Planning Commission (SPC), who has been devoted to the search for clean energy sources for dozens of years, in an interview with CHINA DAILY.

Today the nation has to drive its economic engine with coal, oil and gas to realize the modernization programmes.

"Clean energy resources are something like an infant, who has a lot of potential but is not strong enough to rival the sick seniors," Wu said.

As for solar energy, its utilization remains at the very beginning. About 100,000 solar cookers have been installed around the country, solar houses now total an area of 290,000 square metres, and solar heating panels present 15 million square metres of area to the sun, according to the SPC.

The nation has begun to develop solar photovoltaics (direct generation of electricity from sunlight), Wu disclosed. The total capacity of solar photovoltaic plants had risen to about 1,300 kilowatts by the end of 1990.

"It is a good beginning, though the capacity is really small," he emphasized.

It is easier to use wind energy to generate electricity in China than solar energy at present. Chinese scientists started to research and develop wind turbine generators in the mid-1950s.

The SPC data show that more than 110,000 small turbine generators have been set up throughout the country, and many large-sized wind power plants have sprouted across the land during the last 10 years.

Usually, wind power plants are built in remote border provinces where the shortages of electricity supplies have hit local economies and dramatically affected the lifestyles of inland people.

The Dabancheng Wind Power Test Station in the Xinjiang Uygur Autonomous Region, established in late 1989 with a capacity of 2,105 kilowatts, has turned out 10.5 million kilowatt-hours since then, and as a result locals can use refrigerators and washing machines.

Wu predicted that the future of wind energy development in China is quite bright, explaining that over 1 percent of the country's land area was suitable for wind generators, each with a capacity of 100 kilowatts.

Tidal energy had been generated almost as early as wind energy in China, Wu continued. Guangdong, Fujian, Zhejiang and Shandong provinces have taken a lead in developing tidal energy for dozens of years.

It is estimated that the total capacity of tidal power plants has amounted to 8,300 kilowatts.

Moreover, the tapping of geothermal resources (from hot rocks beneath the earth's surface) has also been on the policy-makers' agenda.

The high-temperature geothermal sources are centred mainly in the southern Tibetan Autonomous Region, western Yunnan Province, and eastern Taiwan.

The capacity of geothermal power plants has swollen to 20,000 kilowatts.

However, the nation has not made great progress in hydrogen energy development.

In terms of environmental protection, the clean energy resources are increasingly able to compete with dirty coal, oil and nuclear power.

Emissions from burning carbon-based fuels such as coal, oil and gas are being blamed for potentially disastrous global warming.

An average of 15 million tons of sulphur dioxide and 7.8 million tons of industrial dust is emitted into the air in China each year, according to the State Environmental Protection Bureau.

In contrast, developers of the clean energy resources don't have to worry about environmental pollution at all.

Economically, the clean and renewable energy resources can challenge the "dirties" such as coal, oil and nuclear power.

For example, industrialists will have to allocate more than 10 percent of the budget for a conventional thermal power station to environmental protection.

At the same time, he blamed low fuel prices for the slow development of the clean energy industry, and argued that the industry needs a government kick-start.

"A credit squeeze which the country is faced with has largely impeded technology advances in the fields of clean energy," he said.

Another problem is that many profit-minded industrialists put environmental protection after production.

"In the short-run, the clean energy industry cannot be developed on a large scale," he admitted. "But the industry should be nourished in hinterland areas and isolated islands."

It is essential for the nation to improve the efficiency with which coal, oil and gas are used, in order to reduce pollutants.

The expert added that the government should give preferential treatment to the fledgling industry of clean energy, such as price subsidies.

Spokesman on Space Test Technology, Launches

OW3011140891 Beijing XINHUA in English
1343 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—China has made progress in the technology for testing the structural strength and environment of rockets and satellites.

A spokesman for the Ministry of the Aeronautics and Astronautics Industry said the No. 702 Institute under the ministry has established a space test system with complete equipment and advanced technology.

According to the spokesman, part of the test technology has reached the international advanced level.

Over the past 30 years the institute has successfully conducted structural strength and environment tests for the carrier rockets of the "Long March" series and vibration tests for a number of satellites.

In 1990 the institute conducted vibration tests for a Swedish Postal Service satellite which was carried into space by China's "Long March" No. 2 rocket.

Commentary Urges Leaders To Concentrate on Science

HK0512093491 Beijing GUANGMING RIBAO
in Chinese 18 Nov 91 p 1

[Commentator's article: "Praising 'No. 1 Men Grasping Primary Productive Force'"]

[Text] Since Comrade Deng Xiaoping forwarded his important Marxist theory that "science and technology are the primary productive forces," people have attached increasingly greater importance to the role of science and technology, and the awareness of science and technology has taken root in the hearts of the people in a more extensive way. At the same time, we are very pleased to see that the no. 1 men of the party and governmental organs in a number of provinces, cities, prefectures, and large and medium enterprises have been fully aware of the position of science and technology in economic and social development; took personal charge in organizing special groups of people to work out programs of "rejuvenating the province through the application of science and technology," "rejuvenating the city through the application of science and technology," and "rejuvenating enterprises through the application of science and technology"; and achieved remarkable results in a short period of time. This practice, by which no. 1 men take personal charge of the primary productive force, merits commendation and is worthy of recommending.

The practice by which no. 1 men take personal charge of the primary productive force is conducive to our efforts to carry out in real terms the Central Committee and the State Council's strategic policy to place science and technology in a key position in economic and social development. A suggestion on promulgating the 10-Year Program and the Eighth Five-Year Plan for national economic and social development was forwarded at the Seventh Plenary Session of the 13th CPC Central Committee, and an outline on the above program and plan was later adopted at the Fourth Session of the Seventh National People's Congress. Both "suggestion" and "outline" fully display the guiding principle that "economic construction should rely on science and technology, while the latter should be geared to the former." Therefore, to implement the "suggestion" and "outline," and ensure the realization of the second step of strategic goals of China's socialist modernization drive, science and technology is a key issue, and the practice by which no. 1 men take personal charge of the primary productive force provides us with a strong guarantee. Practice has told us that whether or not the party's principles, policies, and plans can be carried out in real terms largely depends on the role of leaders at all levels, especially the no. 1 men among them. It is the same with science and technology. How shall we carry out the principle that "science and technology constitute the primary productive force" in real terms? In what ways shall we promptly summarize and spread the typical experiences gained by our own region and units in achieving scientific and technological progress? In what ways shall we better

integrate science and technology with economic construction, to accelerate the process of turning scientific research results into productive forces? How shall we show concern over the contingent of scientific and technological personnel, and create conditions for their growth and give full play to their intelligence and wisdom? Leaders at all levels, especially the no. 1 men, should promptly place all such questions on their agenda, work out solutions, and take personal charge of such matters in a down-to-earth manner until real results are achieved. Ordinary slogans are not powerful enough here; neither can we attain any real results if we only tend to all sorts of miscellaneous matters and fail to work out a unified plan.

The practice by which no. 1 men take personal charge of the primary productive force is conducive to the whole people's enhancement of science and technology awareness. Only when they are mastered by the overwhelming majority of the masses of the people can science and technology become a powerful material strength in the transformation of the objective world. At present, as far as the entire country is concerned, the educational level of the vast numbers of workers and peasants is still not high enough, and their scientific and technological quality remains relatively low. Such a situation runs counter to the party's strategic requirement to shift the focus of economic construction to reliance on science and technology, and to the enhancement of laborers' quality. In order to enhance the laborers' science and technology awareness, on the one hand, we need to popularize scientific and technological knowledge; and on the other hand, it is necessary for scientific and technological workers to directly pass science and technology, especially some practical techniques, to the broad masses of the people. We cannot achieve this goal without the attention, leadership, organization, and impetus of leaders at all levels, especially the no. 1 men. Those areas, departments, and units which have achieved rapid scientific and technological progress in recent years have all done a good job in the aforementioned two aspects.

Science and technology advances by leaps and bounds in our times, which have already infiltrated into all fields of our social life, and exerted a greater influence on the process of economic and social development. From the coming decade to the middle of the next century, major breakthroughs will be made in the field of high and new technologies; and new production techniques and new understandings of natural phenomena will change the present face of some industries, thus becoming a tremendous impetus to historical development. It is precisely an objective requirement for every leader, especially for every no. 1 man, to be aware of this trend; seize this opportunity; approach the issue of achieving scientific and technological progress, and enhancing the quality of laborers from the high plane of strategic importance; and translate this understanding into their practical leading work in a down-to-earth manner. With many tasks to perform, no. 1 men should firmly uphold the principle of "one center, two basic points"; and in order to regard persistently the economic construction as the center,

they should devote major efforts to promoting the first primary productive force of science and technology. Today, we have every reason to say that if a leader fails to pay earnest attention to the primary productive force of science and technology, he is not a leader with foresight and sagacity.

Over the past decade and more, the Central Committee has set a glorious example to us through the practice by which no. 1 men take personal charge of the primary productive force. In the wake of the smashing of the "Gang of Four" and at the critical moment when the entire party's work focus was shifted to socialist modernization, Comrade Deng Xiaoping explicitly pointed out: "The key of four modernizations lies in the modernization of science and technology." Later, in light of the new trends in world's scientific and technological development after World War II, especially during the recent one to two decades, he further forwarded the conclusion that "science and technology constitute the primary productive force." Comrade Deng Xiaoping's theory has greatly reinforced the science and technology awareness of the whole party and people throughout China, and enhanced science and technology's position in socialist modernization as well as in the hearts of hundreds of millions of people. The Central Committee, with Comrade Jiang Zemin as the core, has attached great importance to the important position of science and technology in China's economic and social development; given top priority to the development of science and technology at all times; worked out a series of correct principles and policies, and adopted a number of effective measures in recent several years; and fulfilled a great deal of fruitful work in encouraging the whole country to achieve scientific and technological progress. A fine example has boundless power. We believe that under the correct leadership of the Central Committee, leaders at all levels, no. 1 men in particular, will take greater efforts to reinforce their awareness of science and technology, and enhance their consciousness in promoting scientific and technological progress, so as to enable "the primary productive force" to play a greater role in China's socialist modernization drive.

Article on Science, Technology as Productive Force

HK0612051791 Beijing RENMIN RIBAO in Chinese
22 Nov 91 p 5

[By Liu Zhongde (0491 1813 1795): "Strengthen Study and Propaganda of 'Science and Technology Being Primary Productive Forces'"]

[Text] In an important speech delivered at the fourth national congress of the China Association for Science and Technology, Comrade Jiang Zemin further elaborated Comrade Deng Xiaoping's scientific thesis that science and technology is the primary productive force. Anyone with deep insight who has read this speech will certainly be deeply inspired and thus have greater confidence in the economic and social development of China.

The Third Plenary Session of the 11th CPC Central Committee decided to shift the focus of the entire party to socialist modernization so that the party could concentrate on the development of the productive forces. This was a change of strategic significance for the whole party. But how should we develop the productive forces and how should we promote the economy? While the economic sector itself must further economic reform in depth, the most important point is the necessity of attaching full importance to science, technology, and education and giving full play to their important role in the development of production. The 12th CPC National Congress listed education and science as key factors in the strategy of economic development. The 13th CPC National Congress reiterated that it is necessary to attach primary importance to the development of science, technology, and education and to bring economic construction into a track that places reliance on scientific and technological progress and an improvement in the quality of laborers. The 13th CPC Congress also pointed out: In the final analysis, the development of science and technology, the invigoration of the economy, and the progress of society as a whole are all conditional on enhancing the quality of laborers and training a large number of qualified personnel. Comrade Jiang Zemin noted: "Truly bringing economic construction into the track of relying on the progress of science and technology and on the improvement of laborer quality is a further development of the process of shifting the focal point of work set at the Third Plenary Session of the 11th CPC Central Committee. This move is to upgrade the process to a still higher level and is also of strategic significance. If we say the whole party's shift of the focal point of work onto economic construction has ensured the fulfillment of the first-stage strategic goal, then our attempt to bring economic construction further into a track that places reliance on the progress of science and technology and the improvement of laborer quality is bound to guarantee the successful accomplishment of the second-stage strategic goal and a solid foundation for the realization of the third-stage strategic goal." All these decisions and views not only serve to point out the direction for the development of the productive forces, but closely link, from the strategic high plane, science, technology, and education with the party's basic line and strategic goal for the initial stage of socialism. They show that the party has set much store in the development of social productive forces and, in particular, that the party has acquired a profound understanding of the important role of science, technology, and education in promoting production.

Whether this strategic decision by the party can be implemented depends to a very large extent on whether the entire party, especially leading cadres at all levels, have a profound understanding of the significance of this strategic goal and whether this decision will be truly implemented in all aspects of economic construction. In recent years, more and more comrades within the party have realized the strategic significance of science, technology, and education and the important functions these can play in economic development. However, many people in our ranks just do not know why science, technology, and education are important but rather set

store in the production of materials and the exploitation of material resources alone, while paying no attention to the development of science, technology, and intellectual resources. For quite a long time in the past, we mainly relied on the means of inputting human, material, and financial resources rather than on technological progress, while concentrating on the extensive form instead of the intensive form of enlarged production. For this reason, in China, the technological progress contribution rate (that is, the extent to which technological progress has contributed to economic development) has been low. If this situation continues, it will certainly hinder the realization of the second and third-stage strategic goals and widen the gap between China and the developed countries. Comrade Jiang Zemin pointed out: "We are now in an important historical period which straddles the turn of the century, and we are facing a world which is full of contradictions and acute competition. In the final analysis, competition between countries is a contest of comprehensive national strength, with the key lying in the science and technology contest. So long as we lag behind others in the field of science and technology, we will be in a passive position and are bound to be defeated by others. All comrades of our party and all the Chinese people must have a lucid and full understanding of this issue, heighten their sense of intensity and their alertness against any crisis, and take the initiative in bringing economic construction into the track that places reliance on scientific and technological progress and the improvement of laborer quality." To implement this directive by Comrade Jiang Zemin and to ensure that all the party and all the people throughout the country conscientiously implement the central authorities' decision, we must strengthen the study and propaganda of the principle that science and technology is the primary productive force.

It Is Necessary To Conscientiously Study and Correctly Understand the Marxist Theory on the Relations Between Production, Science, and Education

Marxism holds that the emergence and development of science and technology are conditional on production. Scientific and technological progress serves as an important impetus to the development of production and science is a kind of productive force. Engels said: "In Marx's eyes, science is a kind of revolutionary force that pushes history forward." The Industrial Revolution that began in the 1760's was the first technological revolution in the history of mankind. This first technological revolution and the second and third technological revolutions that came later all showed the tremendous impact of scientific and technological progress on production, and also its function as an stimulus to social development. As for the theory that science is a kind of productive force, Marx said: "Among all these productive forces is science," but it is a kind of productive force in the "form of knowledge"; namely, a latent productive force which will be transformed into a real productive force only after it is combined with the three elements of production. Historical development has brought about a change in the relations between science and production.

So science, which originated from production, has become a force driving and leading production forward and serves as a backing for production development. As Comrade Jiang Zemin put it: "In the world today, science and technology, which is developing very fast and is being rapidly transformed into a real productive force, is becoming the most active factor of the modern productive forces and the foremost driving force. Once mastered by the laborers, science and technology will greatly enhance people's ability to know, transform, and protect nature; and the integration of science and technology with the means of production will considerably improve the efficacy of tools of production, thus increasing the labor productivity of the people who use these tools of production and helping people expand production in depth and breadth."

Education is an important factor promoting the development of production and science. In modern large-scale industrial production, the means of production is a kind of materialized science, while science is a kind of productive force in the "form of knowledge." Only when science is applied to the process of material production and is transformed from a form of knowledge into a tool and a means of production, will it be able to serve as a real material productive force. An important form for this transformation is education. Through education, the quality of laborers can be improved and a large number of scientists, all kinds of technical personnel, and hundreds of millions of skilled laborers can be fostered. Generally, to promote scientific and technological progress and foster skilled labor, we need education. Through these two approaches, education transforms the productive forces, which are in the "form of knowledge," into real material productive forces.

As the new historical period passes, Comrade Deng Xiaoping has summed up the new development trend in the world economy and the experience of this process, thus presenting the thesis that "science and technology are the primary productive forces." This thesis has enriched and developed Marxist theory on production, science, and education. Comrade Deng Xiaoping said: "Modern natural sciences are being applied to production on an unprecedented large scale and high speed, totally changing all areas of material production. The development of electronic computers, cybernetics, and automation technology in particular is rapidly enhancing the automation standard of production. A same amount of labor and time can now produce an output ten times to several hundred times more than what used to be produced in the past. What has made it possible for mankind to achieve this enormous development in social productive forces and this remarkable increase in labor productivity? The very basic factor behind this progress is the force of science and technology." As we see it, this remark conveys the following message: In our times, science and technology has become a prerequisite for economic growth and the decisive force for the development of social productive forces. Comrade Deng Xiaoping has always attached importance to science,

technology, and education. When in charge of the operation to consolidate scientific and technological work in 1975, in spite of extremely difficult circumstances, he insisted on the view that science and technology are productive forces, resisting interference from the "Gang of Four" in scientific and technological work. After the smashing of the "Gang of Four," Comrade Deng Xiaoping attended to scientific and technological work and education as soon as he resumed office. With him personally involved in the work, the central authorities called a national conference on sciences and another on education, both of which had extremely far-reaching influence on economic and social development in China.

It Is Necessary To Step up Propaganda of the Principle That Science and Technology Is the Primary Productive Force and Further Promote a Fine Atmosphere in Which Science and Technology Is Highly Valued While Talented People Are Respected

During the Seventh Plenary Session of the 13th CPC Central Committee, the "Proposal of the CPC Central Committee on Drawing Up the 10-Year Program and Eighth Five-Year Plan for Economic and Social Development" was adopted, and a program of action for realization of the second-stage strategic goal of socialist modernization was put forth. Now our task is to mobilize the masses through propaganda to go into action to implement this program. In this connection, while conducting propaganda on economic work, propaganda organizations and mass media at all levels must step up propaganda of the principle that science and technology is the primary productive force.

As pointed out by Comrade Li Ruihuan: "Vigorously developing science and technology is the key to realizing the second-stage strategic goal, stepping up socialist modernization, and the reform and opening up process in China. Our propaganda organizations must strengthen propaganda of the principle that science and technology is the primary productive force, and thus promote within the party and society a fine atmosphere in which science and technology is highly valued and talented people are respected." He said: "Without relying on scientific and technological progress, we will not be able to do a better job in sticking to economic construction as the key link, neither will we be able to properly solve the many contradictions and problems that we are facing in the present economic construction, and reform and the opening up process; we will not be able to further develop an atmosphere in society in which science and technology is valued while talented people are respected; we will not be able to effectively improve the overall quality of the national economy; and we will not be able to give full play to the superiority of the socialist system and ensure that the Chinese nation will be in an invincible position amid keen international competition." "Promoting scientific and technological progress is not only an economic issue but also a political one and it is of practical and far-reaching significance. Our party and government leaders at all levels must set much store in this issue."

We must publicize in a systematic way the views of the great teachers of proletarian revolution and Chinese proletarian revolutionaries of the older generation on science and technology as productive forces, in particular, the series of theses on science, technology, and education presented by Comrade Deng Xiaoping in the new historical period. Propaganda will encourage more people, especially leading cadres at all levels, to study conscientiously and master the Marxist theory on relations between production, science and technology, and education, to acquire an understanding of the great role that science, technology, and education can play in boosting economic and social development, heighten their sense of the importance of science and technology, adopt a correct conception of the value of science and technology, and conscientiously apply the view that science and technology is the primary productive force in evaluating and guiding our economic work.

Those who are in charge of propaganda and mass media must plunge with great enthusiasm into the reform of the economic, scientific and technological research, and education structures. They should work together with the vast number of economic workers, scientists and technical personnel, and educators to acquire new experience in combining the in-depth reform of the economic structure with the in-depth reform of the scientific and technological structure and the education structure, explore through practice new things and advanced case-studies, and give publicity to such cases for the guidance and further advancement of reform. Here an essential task that needs to be done is to develop and propagandize a new mechanism that can closely combine science and technology with economic development, promote scientific and technological progress, and is conducive to economic development. For various reasons, science and technology were seriously divorced from the economy for many years. When viewed from different angles, the principle that scientific and technological work must be geared to economic construction has not been truly implemented. Our scientific and technological work has been divorced from economic construction, many results of scientific and technological research have not been transformed into real productive forces but have remained idle theories in laboratories. This should be attributed to problems related to the circles of scientists and technical personnel, the guiding ideology for scientific and technological work, and to problems concerning the structure. For example, different links, including scientific research, intermediate experiments, production, and marketing are separated far from each other and have failed to be well integrated. Due to a lack of support from such sectors as intermediate experiments, production, and marketing some scientific and technological projects run by scientific research units and by institutes of higher learning have been abandoned halfway. Here the outstanding problem rests on investment in scientific and technological research. Many comrades do not realize the value of investment in scientific and technological research and education to the advancement of production. According to Marxist theory, from

an overall and long-term point of view, investment in science and technology is a kind of productive investment. Labor and funds invested in education have a dual nature—they are productive on the one hand and consumptive on the other. We must not be blind to the productive value of education in increasing productivity and boosting production and only know its consumptive nature. We should vigorously propagandize the above-mentioned views by making sure that more people, especially leading cadres at all levels, understand the importance of increasing investment in science, technology, and education. Only in this way can a new structure, which integrates science and technology with the economy, take shape.

The propaganda sector and mass media must comprehensively propagate the party's policy toward intellectuals; bring the enthusiasm, initiative, and creativity of intellectuals into full play; further promote a fine atmosphere in the entire party and society, an atmosphere in which knowledge is valued and talented people are respected; and correctly evaluate the position and role of intellectuals. In a certain sense, knowing the value of science and technology means knowing the value of knowledge and the value of intellectuals. For the moment, we must concentrate on publicizing the cases of those advanced intellectuals who are economic-construction minded, who have integrated with the masses of workers and peasants, and who have made outstanding contributions to scientific and technological development and basic research. At the same time, we must vigorously propagate and advocate the necessity of adopting specific measures to improve the working, studying, and living conditions of intellectuals, thus creating a fine social environment for them.

The propaganda sector and mass media must also report and publicize in good time the latest world developments in the field of science and technology so that our scientific and technological work and education can keep up with the world and be geared to future needs.

The propaganda sector and mass media should display great enthusiasm and a high sense of responsibility in vigorously propagating among the public the scientific thesis that "science and technology are the primary productive forces," enhance all the nation's sense of science and technology and the standard of scientific knowledge and education, promote the development of science and technology and education, and work with real determination to bring economic construction into a track that places reliance on scientific and technological progress and in the improvement of the quality of laborers. This is a sacred mission that history has entrusted to our propaganda workers.

Economic & Agricultural

Li Peng Gives Speech on Shenzhen Development
HK0612080291 Hong Kong TZU CHING in Chinese
No 15, 5 Dec 91 pp 6-8

[Report: "Premier Li Peng Says We Should Further Improve the Development of the Shenzhen SEZ (Special Economic Zone)"]

[Text] Premier Li Peng gave a speech when he inspected Shenzhen. The content of his speech follows:

The last time I visited Shenzhen was last February, and over the past year Shenzhen has changed a great deal. This once again proves that the policy of reform, opening, and setting up special economic zones [SEZ], as advocated by Comrade Deng Xiaoping, is completely correct and very successful. The development of Shenzhen has fully demonstrated its role as one of the four "windows." Some comrades say that the SEZ's should also be "windows" propagating the motherland's cultural and spiritual civilizations and demonstrating the superiority of socialism. This is a very good idea. In short, Shenzhen has obtained very great results.

Direction for Shenzhen's Future Development

One of the most important things for Shenzhen to do is attach importance to the development of high-technology industries. Shenzhen has already undergone a relatively long period of development and has emphasized different areas of development in each development stage. In the beginning, Shenzhen developed tourism and then developed the "three forms of import processing and compensation trade." Later, it gradually set up its own processing industries. Now is the time for Shenzhen to attach more importance to the development of high-technology industries. In this respect, Shenzhen has many advantages. First, it borders Hong Kong and Macao, has numerous overseas compatriots, and its links with the outside world are convenient. This is good for absorbing foreign advanced technology. Second, numerous inventions and creations on the mainland still remain in laboratories and have not been changed into productive forces because they lack the appropriate environment and conditions. Shenzhen offers these conditions. To develop high-technology products, it is necessary to find the appropriate sales outlets, otherwise we can only appreciate the products thus manufactured. Without economic returns, it is difficult to acquire productive forces. Of course, we do not say that Shenzhen should discard its tourism and processing industries. We will continue to develop them and upgrade them so they will bring higher returns. At the same time, we will gradually enlarge the proportion of high-technology industries.

It Is Necessary To Develop Tertiary Industry Vigorously

Shenzhen's "Splendid China" and "Ethnic Villages of China" are an arm of tourism. We should attract more mainland tourists to Shenzhen through the tourist industry so they can witness the achievements of reform and opening up and thus strengthen their understanding of these processes. At the same time we should attract more compatriots from Hong Kong, Macao, and overseas Chinese and friends to Shenzhen. Tertiary industry also includes banking, transportation, information, business, and foreign trade. Now that we are feeling economic pressure from the outside, we must develop and diversify our overseas markets, and I hope that Shenzhen will make contributions to this cause by using its special

advantages. It is impossible to diversify overseas markets overnight, but if we insist on this goal for our development, we will definitely succeed in several years.

Shenzhen's reform and further opening up to the outside world is a principle that we unswervingly stick to. We should continually improve its investment environment. We welcome foreign businesses that want to set up factories there. We must, however, pay attention to two points: First, we must not initiate development projects indiscriminately but should choose those that conform to the state's industrial policy. We should set up more high-technology and export-oriented projects and secure overseas markets. Second, we should strengthen management of foreign enterprises, prevent tax evasion, guard against importing goods at high prices and exporting goods at low prices and against the shifting of profits. For further improving opening up to the outside, we should put these two points on our agenda for discussion.

Tertiary industry also includes the stock market. For economic development, we should absorb a portion of the money in the hands of the people as a source of investment to expedite economic development. This will in turn improve the people's standard of living. This is the law of absorbing things from the people and using them for their benefit. There are a variety of forms for pooling funds, and issuing shares is one of them. It does not require enterprises to pay interests while stimulating them to establish competition mechanisms—but it is also risky. Practice by capitalist countries shows that stocks are highly speculative. We should prevent shares from being concentrated in a majority of people and should guard against speculative behavior. The question of how to develop the stock market while avoiding the speculative behavior of some people manipulating the market is worth studying. In short, on the matter of share issuance, we should use the method of market regulation. On the other hand, we should subject it to the control of plans so that the controlling power of shares be held by the state. Now Shenzhen serves as an experimental point for the setting up of the stock market and I hope that it will gain experience in this respect.

It Is Necessary To Develop Foreign Trade Vigorously

This year, we have carried out a great deal of reform in the foreign trade system. Instead of granting them state financial subsidies, as we did in the past, we have succeeded in enabling export-oriented enterprises to become solely responsible for their own profits and losses. Judging by their operation this year, the cost of products that earn foreign currencies has decreased, exports have increased, and the quality of export products has improved. Practice has proven that the reform is a success. Only by continuing with efforts to reduce costs, provide quality services, and develop new markets will Shenzhen, a trading port, be able to develop its export trade by a substantial amount.

Because the central authorities consider Shenzhen a window to the outside world and because it borders

Hong Kong, its development plays a very large role in securing Hong Kong's stability and prosperity.

Zhu Rongji Views Establishing Enterprise Groups

HK0612014091 Hong Kong CHING CHI TAO PAO
in Chinese No 47, 25 Nov 91 p 15

["China Economic News" article: "Zhu Rongji Speaks on Objectives, Models for Establishment of Enterprise Groups"]

[Text] A few days ago, Zhu Rongji expressed his views on the question of setting up enterprise groups.

He maintained that the following are the objectives when setting up enterprise groups: First, when administrative companies are closed down, the function of planned management will, in reality, be weakened. As enterprises are gradually transformed to function in the market economy, their management levels should be changed accordingly. It is therefore necessary to set up groups to exercise the function of planned management. Second, by setting up groups, enterprises manufacturing the same kinds of products can come together to be powerful as a person "gripping with his fist." This is good for increasing product variety and enhancing product competitiveness. Third, setting up groups is good for readjusting the product mix and for closing down enterprises, suspending their operations, amalgamating them with other enterprises, and switching them to the manufacture of other products.

On the topic of which models should be used to establish these enterprise groups, Zhu Rongji said: It would be better for us to use secondary-class legal persons [er ji fa ren 0059 4787 3127 0086] if we begin to set up enterprise groups now. Because these enterprise groups are on a large scale, it is impossible to run them well without real entrepreneurs that have solid experience in domestic and foreign management. These groups must concentrate a great deal of energy on market research, product variety, sales promotion, and other issues. They should do more strategic research, make more relevant policy decisions, and allow their subsidiaries to do strategic research. Moreover, the structure of these groups of companies must not be too large, and their functions should be shouldered by a single leading factory or organization. Principles for setting up these groups should be made in light of their product mix and internal connections and should, of course, be based on voluntary principles. The groups of companies thus established must not interfere excessively with enterprises in the exercise of their self-operating powers.

Zou Jiahua Stresses Minerals Management

OW0612015191 Beijing XINHUA Domestic Service
in Chinese 0948 GMT 5 Dec 91

[By reporter Zhu Youdi 2612 1635 2769]

[Text] Beijing, 5 December (XINHUA)—Zou Jiahua, vice premier of the State Council, met with representatives of the national advanced units and advanced individuals for the supervision and management of mineral resources development today in Zhongnanhai. He pointed out the need to strengthen the work of supervision and management of mineral resources development so as to ensure the sustained and steady development of our country's mining industry and the entire national economy.

On behalf of the the State Council, Zou Jiahua extended warm congratulations to commended units and individuals, warmly greeted all staff members and workers at geological and mineral departments and at mines, conveyed lofty regards to those who are devoted to the work of mining management and to their families.

Zou Jiahua said mining management work not only produces immediate benefits but also brings benefits to future generations. It serves the long-term interests of the people as well as the entire national economy. Mineral resources are like food to industry. Without mineral resources, there would be no modern industrial society. Since the founding of the republic and particularly since the Seventh Five-Year Plan period, we have made major discoveries of mineral deposits and have established a relatively sound mining system. The rapid development of the mining industry has greatly strengthened our economic power, ensured our position as the third largest mining country in the world, and laid a foundation for the development of the entire industry and the national economy. We should also realize, however, that some of our country's major state-run mines are faced with depleting mineral resources and that present mineral deposits do not offer a rosy picture for future economic development. In addition, sabotage of and waste in mineral resources remains serious, and the utilization level of minerals is still relatively low. Therefore, all levels of departments and governments should show concern, pay attention to developing the mining industry, and adopt measures for the reasonable development, utilization, and economical use of mineral resources. Concrete measures should be taken to protect state resources, maintain discipline in the mines, and stop indiscriminate mining. Those who have seriously violated the law and have breached discipline must be sternly dealt with.

Zou Jiahua said that the supervision and management of mineral development is a strategic and important task, and, therefore, it is glorious to be entrusted with this type of job. We should further improve the law enforcement system for the supervision and management of mineral resources. We must act according to the law, strictly enforce the law, and punish law-breakers. As mining management work is one of government's important functions, mining management organs must be under government control. As the foundation of mining management work is weak, and as mining management work involves many areas and is complex, practical problems related to it are rather difficult to solve. Therefore, all levels of government and competent departments should

give full support to mining management work, providing personal security for mining management personnel, helping them solve problems, and never harming the state's interest in the protection of local interests.

Zou Jiahua said we should vigorously publicize the mineral resources law, spread the concept that mineral resources are state-owned, let people know the important significance of protecting mineral resources, and make them realize the need for practicing the reasonable utilization and economic use of mineral resources. Finally, Zou Jiahua called on all to constantly raise the utilization level of our country's mineral resources and help open a new phase in the supervision and management of mineral resources development.

The Ministry of Geology and Mineral Resources, the State Planning Commission, the Ministry of Personnel, and the Ministry of Justice jointly sponsored the national commendation meeting of advanced collectives and advanced individuals in mining management.

Zhu Xun, minister of Geology and Mineral Resources, spoke at the meeting. He said the sustained, steady, and coordinated development of the national economy calls for the adoption of a policy to emphasize the "exploration of new energy sources" and "practicing economy on energy use." He called for a constant buildup of energy potentials, an increase in mineral reserves, considering mining resources a treasure, the reasonable utilization and protection of minerals, and doing a good job supervising and managing mineral development.

Cheng Lianchang, vice minister of Personnel; Guo Dezhi, vice minister of Justice; and representatives of advanced units and individuals from mining management systems also spoke at the meeting.

Minister on Promoting Mining

OW3011182791 Beijing XINHUA Domestic Service
in Chinese 1033 GMT 30 Nov 91

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 30 November (XINHUA)—With the mines that spread all over the land and the contingent of nearly 20 million staff members and workers of mining departments in mind, Zhu Xun, minister of geology and mineral resources, suggested today at a meeting of the China Mining Industry Association that we must shift emphasis of our work and study ways to improve state-owned large- and medium-sized mining enterprises. At the same time, it is necessary to appropriately develop village and township mining enterprises in a planned manner so that they will supplement unified state planning in a well-coordinated way, thus blazing a new path favorable to the development of China's mining industry.

It has been learned that China has developed from a minor mining country to a major one. At present, there are 8,347 state-owned mines run by authorities at the county level or higher and 230,000 mines operated by

villages and townships. The annual output of China's minerals including energy, ferrous, nonferrous, chemical ores, and nonmetallic construction materials exceeds 2 billion metric tons. The annual output of sand, stones, and clay is close to 3 billion metric tons; however, China's mining industry is faced with such problems as insufficient verified reserves, inadequate input, outdated technology and equipment at many mines, and low levels of production technology. Zhu Xun said: China will take effective measures to further improve state-owned large- and medium-sized mining enterprises and promote the development of the mining industry.

— Increase input and bring about a steady development of the mining industry. The state will continue to give priority to state-owned large and medium-sized mining enterprises in allotting resources. It is permissible to set up joint operations by enlisting the participation of local governments in developing mines. In implementing the Eighth Five-Year Plan and devising mining development plans until the year 2000, we must uphold the policy of "utilizing two kinds of resources in building mines with emphasis on domestic resources" and developing large, medium, and small mines simultaneously while giving priority to the large and medium ones. We should appropriately increase investment in the mining industry in a planned way so that it will keep abreast of the development of energy and raw materials industries.

— Earnestly step up geological prospecting to find sufficient mineral resources for the development of the mining industry. Priority should be given to the prospecting of energy resources. It is necessary to step up the prospecting of mineral resources needed by the raw materials industry such as copper, gold, silver, lead, zinc, aluminum, concentrated manganese, chromium, potash, high-grade kaolin, diamond, and boron as well as phosphorus in the north and try to make some breakthroughs.

— Reform the unreasonable mines administrative systems, form regional, independent mining enterprises, and develop, step by step, mining enterprise groups.

— Continue to rationalize the prices of mineral products. We should bring to an end the situation in which the selling prices of some ores are set too low so that the profit rates of mining enterprises will gradually approach or be equal to smelteries and processing enterprises. This will help change the situation in which mining enterprises always fall behind the downstream industries and facilitate structural readjustment.

— Develop, as quickly as possible, China's mining equipment manufacturing system through import of technology and development of lateral cooperation. It is necessary to vigorously promote comprehensive utilization and development of mineral resources, develop intensive processing, encourage the export of some mineral products, and develop domestic substitutes for imports.

Zou Jiahua Congratulates Shaanxi Project

OW0412015991 Beijing XINHUA Domestic Service
in Chinese 1425 GMT 3 Dec 91

[By reporters Gu Honghong (7357 3163 3163) and Ma Jiqi (7456 7162 3823)]

[Excerpt] Xian, 3 Dec (XINHUA)—The Shaanxi color kinescope expansion project, a major state construction project under the Seventh Five-Year Plan, was checked and accepted by the government today. Vice Premier Zou Jiahua wrote a letter in which he extended his warm congratulations on behalf of the State Council to the experts and friends of various countries who took part in the construction.

In the letter, Zou Jiahua praised the builders for "displaying the working-class spirit of being the masters of their own affairs and working hard in self-reliance; for opening up new avenues and gaining good experience in seeking foreign cooperation, raising capital funds, and managing the project; and for helping China enhance its capability in manufacturing color kinescopes and relevant production equipment and strengthen its electronics industry foundation."

Zhang Xuedong, president of the China Electronics Industry Corporation, was in charge of the program to check and accept the project. [passage omitted]

Li Guixian on Reform of Financial System

HK2911150091 Beijing QIUSHI in Chinese
No 20, 16 Oct 91 pp 24-28

[Article by Li Guixian (2621 6311 5691): "Steadfastly Push Forward Socialist Reform of Financial System"]

[Text] The reform of the financial system is an important component part of economic structural reforms. According to the proposal by the CPC Central Committee in respect of the 10-Year Program for national economic and social development and the Eighth Five-Year Plan and the outlines of the 10-Year Program and the Eighth Five-Year Plan, further pushing forward reform of the financial system is of major significance in better bringing into play the regulatory and control role of finance in developing the finance industry and promoting the sustained, stable, and coordinated development of the national economy.

I

Since the Third Plenary Session of the 11th CPC Central Committee, the development of the socialist planned commodity economy, and the deepening of economic structural reform, reform of the financial system has also been gradually implemented. In accordance with Comrade Deng Xiaoping's directive that banks should really be run as banks and that banks should be used as levers in developing the economy and renewing technology, the financial system, under the leadership of the CPC Central Committee and the State Council, has engaged in unremitting exploration in

reform and has realized obvious achievements. In September 1983, the State Council decided to establish a central bank system, which was an important step forward in the reform of the financial system. Through over 10 years of reform, a financial macroeconomic regulatory and control system was established. Therefore, a financial system led by the central bank, in which state banks play the main role, diverse financial organs coexist, and there is a coordinated division of work has been basically established. Financial markets have been actively developed, avenues for enterprise-type operations by specialized banks have been actively explored, great efforts have been put into developing a social insurance system, and there has been active expansion in financial opening up to the outside. At the end of 1990, various types of deposits in state banks and rural credit cooperatives had reached 1.303 trillion yuan, a growth of 10.3 times over the figure at the end of 1978. Finance has been an important avenue for funds in national economic development and has also been a major macroeconomic regulatory and control measure. Practice has proven that the general framework and overall direction of the reform of the financial system are correct. In the seven years of the central bank system's operation, there has been a gradual introduction of the comprehensive use of economic, administrative, and legal measures. This has brought into play the macroeconomic regulatory and control role of finance and basically accords with the demands of economic development and reform. The development of the financial system allows the collection of large volumes of funds for economic and social development and supports national economic construction. These reforms of the financial system are an innate requirement of our country's reform of the economic structure and are an objective demand for developing a socialist planned commodity economy.

In 1988, due to economic overheating, fixed asset investment and consumption funds grew wildly, and serious inflation appeared. The party Central Committee and the State Council decided to take resolute action and economic improvement and rectification was implemented. The banks also adopted a series of cutbacks. Through more than two years of economic improvement, rectification, and appropriate cutbacks, inflation was suppressed, and the economy experienced a suitable amount of growth. This not only guaranteed economic and social stability but created a quite relaxed environment for reform. We can say that the reason that we are now able to study the question of the financial system during the Eighth Five-Year Plan, that we are able to discuss more deeply some reform measures, and that we are able to increase the pace of reform is that such obvious success has been achieved in economic improvement and rectification.

During the period of economic improvement and rectification, financial system reforms did not stagnate, some major reform measures continued to appear, and methods of combining direct regulation and control with indirect regulation and control were explored. For example, at the same time as stressing planning measures, attention was paid to more fully utilizing the economic levers of interest rates,

exchange rates, and deposit reserve fund rates. Over two years, there were five readjustments of bank deposit rates; readjustment upwards and readjustments downwards. Such frequent use of the interest rate lever was rarely seen in the past. Quite great steps were also taken in readjusting the exchange rate mechanism. Through several readjustments, we began to implement managed incremental readjustment of the exchange rate. A credit plan for the overall society was worked out. On the macro-level, control of scale was implemented, while on the micro-level the enlivening of funds was stressed. Clear achievements were realized in this. In recent years, there have also been new developments in financial markets, bond issues were increased, and negotiable securities markets were further expanded. Shanghai and Shenzhen trial-implemented securities trading exchanges and the listing of shares. The foreign exchange readjustment market has seen development and prices are quite stable. At the same time, financial legislation has been strengthened. All of these actions have elicited quite a good response both domestically and abroad. This shows that the belief that in recent years that there has only been economic improvement and rectification and that there has been no reform, that there has only been the use of administrative measures and no use of economic levers, is not a complete view.

It should be recognized that in recent years, under the condition of maintaining sustained reform of the financial system and financial stability, there has been a readjustment of some reform measures and also some readjustment of various businesses. This is a demand of economic improvement and rectification and also a demand of reform. Overall, this readjustment and rectification has been necessary. At the same time, as far as the overall reform of the financial system is concerned, these are all small readjustments and some of them are even temporary measures. It should be affirmed that financial work has some deficiencies and at present, there exists the latent danger of inflation. When planning the reform of the financial system, we must pay very great attention to these problems.

III

Comrade Jiang Zemin, in his speech at the meeting to celebrate the 70th anniversary of the establishment of the CPC, put forward the basic requirements of building a socialist economy and socialist politics and culture with Chinese characteristics. He also pointed out that, under the precondition of upholding the four cardinal principles, it is necessary to uphold the overall policy of reform and opening up. If we do not carry out reform, it will be impossible to continually maintain the thriving vitality of the socialist system. If, we do not uphold a socialist orientation in reform, it will spell an end to the overall achievements realized by the party and the people through 70 years of struggle. We must clearly distinguish between the two types of reform and opening up. That is, we must clarify the basic dividing line between reform and opening up which upholds the four cardinal principles and essentially capitalist "reform and opening up," which advocates bourgeois liberalization. Financial reform, as a major component of

economic reform, must also constantly uphold the four cardinal principles. We must, through continually deepening financial reform, gradually establish and perfect a socialist financial system which has Chinese characteristics. In accordance with the spirit of the Seventh Plenary Session and the outline of the 10-year program and the Eighth Five-Year Plan, we should sum up the experiences of financial system reform over the last 10 years and, in the next 10 years, deepen reform of the financial system. In this, we should uphold the following basic principles:

1. Uphold the socialist orientation of financial reform. The socialist relations of production, which have the public ownership of the means of production as their base, can essentially overcome the basic contradiction seen in the capitalist mode of production, between the private appropriation of the means of production and the socialization of production, can guarantee that production, circulation and distribution can be consciously regulated and controlled by society, and can achieve the planned, proportional and rational development of the national economy and the common prosperity of society's members. If the system of public ownership of the means of production is shaken, the economic base of socialism will be shaken and this will inevitably harm the basic interests of the people of the whole society. Thus, we must consolidate and strengthen the socialist publicly owned economy. This requires us to gradually perfect policy measures in respect to financial administration, taxation, banking, pricing, wages, social security and the administrative management of industry and commerce so as to guarantee the primary position of the public ownership system. In accordance with this demand, financial reform must firmly grasp a socialist orientation. If this aspect is not upheld, it will be impossible to even talk about finance serving the socialist economy. If we sum up experiences in financial work since the founding of the PRC and especially in recent years, upholding the socialist orientation of financial reform requires: 1) We must uphold the prime position of state banks, while appropriately developing other publicly owned financial organs (including collective financial organs). We cannot allow private persons to operate banks or run financial businesses much less engage in the privatization of financial organs. 2) We must uphold unified leadership of national financial affairs and uphold unified principles in national financial work. All financial business activities must be carried out under the guidance of state planning. 3) We must uphold the unified circulation of market money and must not engage in regional blockades or local monopolies of funds.

2. Upholding the principle of monetary stability. There is a close relationship between financial reform, financial stability, and economic development. A long period of practice has repeatedly proven that monetary stability is an important condition for stable economic, political and social development, and is also an important precondition for deepening reform. If money depreciates greatly and serious inflation occurs, it will inevitably affect the sustained, stable, and coordinated development of the economy and affect the stability of people's lives and society. In such a situation, reform will be difficult to carry out smoothly.

Thus, reform and development needs a stable environment and financial reform measures should be beneficial to monetary stability and controlling and guarding against inflation. As very great change has occurred in the economic situation in recent years, monetary stability cannot continue to be maintained through the administrative measures of a highly centralized system, nor can we simply copy the practices of market economies. Rather, we must proceed from China's actual situation and gradually explore modes and measures for monetary stability in the economic structure and price movements, where the planned economy is combined with regulation through movement mechanisms.

3. Upholding the principle of combining the planned economy with regulation through market mechanism in the financial sphere. Planning and the market, as means by which to regulate the economy, are objective demands for the development of a commodity economy based on socialized large-scale production. In recent years, financial reform has done some exploration in terms of combining planning and the market, realized certain achievements, and accumulated some experiences. However, this arduous pioneering work still faces many new situations and new problems in terms of macroeconomic regulation and control and microeconomic enlivening in the financial sphere. Thus, there is a need, under the conditions of consciously observing the law of value and the special economic patterns of socialism, to further explore specific avenues, forms, and measures by which planning and the market are combined in the financial sphere and by which banks are run as real banks. Thereby, a strengthening and improvement of financial planned management and a strengthened macroeconomic regulatory and control capacity will be gradually achieved. At the same time, there will be positive utilization of the market mechanism and indirect regulatory and control measures will be gradually strengthened. In this way, financial markets will be actively opened up, there will be flexible use of financial levers, and the macroeconomic regulatory and control role of finance will be better brought into play.

4. Upholding the principle of proceeding from reality and actively and safely carrying out financial reform. Reform is a process of giving play to advantages, eliminating defects, and bravely doing pioneering work. It requires that we liberate our thoughts and be brave in exploration and practice. It also requires that we take reference from and adopt some general practices which are in accord with socialized large-scale production and the demands of developing a commodity economy. Nonetheless, financial reform must proceed from the reality of our country's situation, must uphold a scientific attitude of seeking truth from facts, and must not be over-anxious for success. In the reform, we must pay attention to motivating the enthusiasm of all sides, handling well the relationships between the People's Bank, the specialized banks, and other financial organs, and in handling well the relationship between departments and regions. We must uphold the reform policy whereby specialized banks take on macroeconomic regulatory and control functions and must also implement

enterprise management in those banks. At the same time, financial reform is closely linked with economic reform in other areas and there needs to be mutual coordination and a coordinated implementation of reforms. There should be separate guidance implemented for financial reforms being carried out in different areas with measures suited to local conditions. That is to say, we cannot implement unified measures everywhere or rush headlong into mass action. We must pay attention to organically combining long-term planning with near-term measures and push forward financial reforms in a planned and ordered way.

III

The 1990's are an extremely important period for financial system reform. In accordance with the requirements of the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh NPC, during the next 10 years and the period of the Eight Five-Year Plan, the main contents of correctly bringing into play the role of banks and deepening the reform of the financial structure are: Further strengthening the macroeconomic regulatory and control role of the central bank; firmly controlling the money supply and the overall scale of credit; rationally stipulating, in accordance with state industrial policies, the investment orientation of credit; effectively utilizing financial levers such as interest rates, reserve funds, reed-lending, and exchange rates to promote the balancing of overall volumes and structural readjustment in the national economy and to guard against inflation; perfecting the leadership system of the central bank; and strengthening the leadership and management of the central bank over specialized banks. The specialized banks will mainly implement state industrial policies and take on the tasks of economic regulation and control. At the same time, enterprise-type management will be implemented and they will take on risks and be responsible for their profits and losses; continuing to encourage citizens to save, expanding the issue of bonds and stocks in a planned and gradual way, firmly strengthening management and gradually implementing the pluralization of social financial assets; stably developing a financial market, developing financing channels; and perfecting the circulation market. In large cities with certain conditions, we should safely implement securities trading exchange experimental points and gradually form standardized trading systems.

In accordance with the basic principles of financial system reform and the above-mentioned requirements, we should place stress on the following several aspects in continuing to deepen financial system reform during the Eighth Five-Year Plan period:

—We must strengthen macroregulation and control over finance. We must further perfect social credit planning and formulate unified plans for social funds financing, including those for state banks, indirect financing by various levels of credit and investment companies, and direct financing through the issue of various types of

negotiable securities in the financial market. We must also implement overall volume control, differentiate different situations, and institute management in these areas. For different levels of credit planning, we must implement different regulatory and control measures. We must establish a money supply indicator system and, in accordance with the necessary volume of money supply and the needs of economic development, must formulate and readjust social credit plans. As to the management of credit funds, we must implement the principles of appropriate centralization, join up departments and regions, and motivate the enthusiasm of the center and the localities. In order to optimize the funds structure, enliven funds, speed funds circulation, and raise fund-use efficiency, the People's Bank must reduce credit lending and positively implement the bill discounting and re-discounting business. The specialized banks must further promote bill discounting business and mortgage credit practices.

—Enterprise management should be implemented in specialized banks. In accordance with the principles of autonomous operations, independent accounting, assuming sole responsibility for profits and losses, self-restraint, and self-assumption of risk, we must positively promote reform of the operational management mechanisms within the specialized banks and the Bank of Communications. We must gradually build and perfect scientific indicator systems and assessment practices for credit risk, funding costs, and funds safety and benefits. In respect of circulating funds credit, we must widely implement the "three checks" work posts separation system in which there is a pre-credit investigation check, an examination check when credit is issued, and an inspection check subsequent to the issuance of credit so as to raise the level of credit management. It is necessary to greatly promote the practice of issuing certificates of deposit [kai hu zheng 7030 2073 6086] and credit certificates, strengthening the management of account-opening and enterprises obtaining credit, and guard against and correct the situation of enterprises wildly opening accounts and pumping credit and funds out of the banks. We must strengthen risk management of bank assets, speed the sorting out of existing assets, establish a risk management system, strengthen cost accounting, and put efforts into raising operational benefits. At the same time, we must strengthen the respective managements of banks' long- and short-term funds use, further perfect long-term credit bank systems, and gradually turn the People's Construction Bank into a long-term investment bank.

—We must open up financial markets. We must, on the basis of summing up experiences, strengthen management and guidance of funds markets so that they develop in a standardized and healthy way. In order to strengthen the management of financial markets by the People's Bank, we must establish a national financial market quotation, trading, and information system under the guidance of the People's Bank and actively develop a

day-to-day loan system between the financial organs and the various localities. We must gradually establish a funds market which transcends regions and transcends systems, form a national interbank clearing center, and fully utilize time differentials and regional differentials to improve the utilization rates of funds. We must further develop bonds markets and, in accordance with the needs of economic development and enlivening funds, gradually increase the types and volumes of bonds and make efforts to enliven the circulation and transfer of bonds. In accordance with the demands of state policies, we must coordinate the relevant sides, and, in a planned and ordered way, implement experiments in shareholding systems while maintaining public ownership as the main part. It is necessary to seriously do well in the work of the existing securities exchanges and establish and perfect various rules and regulations for securities exchanges. We must further develop foreign exchange regulatory markets, stabilize regulated prices, and rationally guide the direction of foreign exchange regulation.

—We must deepen the reform of the insurance system. On the basis of upholding the position of the People's Insurance Company of China as the main channel, we must appropriately establish diverse, specialized, and regional insurance companies. We should establish a unified life insurance company to handle the receipt, payment, and use of social insurance funds. In accordance with the principle of the separation of government and enterprise funds, no state organs should be allowed to engage in insurance businesses or run insurance companies and enterprises and departments should not be allowed to engage in the insurance business by themselves. We must continually open up new fields for insurance business, further strength the management of insurance funds, and raise the use efficiency of insurance funds.

—We must strengthen the management of foreign exchange and foreign borrowing. We must further do well in enlivening the management of foreign exchange earned through exports, perfect the verification and write-off systems for foreign exchange earned through exports, and improve the exchange-earning export rate. We must improve the exchange rate mechanism, establish a managed, limited-target, floating system for Renminbi exchange rates, and bring into play the role of the exchange rate economic lever. We must thoroughly grasp the management of the three links of borrowing, using, and repaying foreign borrowings and must maintain a reasonable scale and rational structure of foreign borrowing to increase the benefits of foreign borrowing.

—We must strengthen leadership, management, and supervision by the central bank. The headquarters of the People's Bank is the national organ under the State Council that is responsible for guiding and managing national financial affairs. The branch organizations at all levels are accredited organs of the headquarters and, in their areas, carry out the functions of the headquarters as representatives of the central bank.

The People's Bank at all levels must strengthen leadership, management, and supervisory inspection over financial organs at all levels so that all financial principles and policies are implemented. At the same time, it is necessary to grasp the formulation of a "bank law" "negotiable instrument law", "securities law", "insurance law" and other basic financial laws, so that financial management can gradually be moved onto a track where it is managed in accordance with the law. In order to guarantee that the various financial principles, policies, and financial laws and regulations are implemented so as to protect financial order, guarantee the stable and healthy operations of financial organs, and reduce law suits occurring in the financial system, it is necessary to greatly strengthen the supervisory and auditing functions of the central bank. At the same time as continuing to develop routine inspection, it is necessary to: gradually develop risk supervision; strengthen supervision and inspection over the operations and foreign exchange business of the various financial organs; strengthen regular auditing supervision over the "three types of partly or wholly foreign-funded" banks within the country and Chinese-funded financial organs abroad; establish a system whereby financial organs submit reports to the central bank at regular intervals; perfect our country's system of non-local (fei xian chang 7236 3807 1034) audit inspections, and expand the area of coverage of audit inspection. At the same time, we must put in order the relationship between the financial supervisory organs of the People's Bank and other relevant departments, establish a system of coordinated linkage between auditing and supervision, perfect the systems of financial supervision, and put into effect the People's Bank's power to handle matters in supervision and auditing.

In order to guarantee the healthy development of financial reform and financial work, we must strengthen the building of the financial contingent. We must grasp the building of a financial contingent as an important strategic task, continually raise the political and professional qualities of the cadres, staff, and workers and foster and train up an outstanding financial contingent.

During the Eighth Five-Year Plan and the whole of the 1990's, our country's economic structural reform will be developed over a broader area and at deeper levels and reform of the financial system will also enter a new stage. Reform of the financial system should be coordinated and harmonized with overall economic structural reforms and should be stably carried out in accordance with the arrangements and requirements of reforming the overall economic structure.

Shanghai Mayor on Enlivening State Enterprises

HK2711091591 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 45, 11 Nov 91 pp 7-8

[By Wu Fumin (0702 1788 3046): "Shanghai Mayor Huang Ju on Line of Thinking on Invigorating Large and Medium-sized State-Owned Enterprises"]

[Text] The CPC central work meeting convened earlier discussed in a special agenda ways to do a better job in large and medium-sized state-run enterprises. This showed China's will and determination in invigorating large and medium-sized state-run enterprises. Shanghai Mayor Huang Ju stated categorically to reporters after returning from the central work meeting that this policy is a very good opportunity for Shanghai, the municipality with the largest concentration of large and medium-sized enterprises, to realize its strategic goal of "invigorating Shanghai, developing Pudong, serving the whole country, and being oriented toward the world."

From "Rear Guard" to "Vanguard"

Huang Ju said that Shanghai now has 937 large and medium-sized state-run industrial enterprises, a mere 7.1 percent of the municipality's industrial enterprises, but accounting for 62.4 percent of the municipality's gross industrial output value and 77.3 percent of its profit tax submitted to the central authorities. For a long time, large and medium-sized state-run enterprises have been the main body for the highly concentrated planned economy as well as the vanguard that consolidated the foundation of the national economy. From 1953 to 1990, Shanghai submitted to the state a total of 388.4 billion yuan in profit tax, most of which were earned by large and medium-sized state-run enterprises, the returns were more than 10 times the capital injected into these enterprises by the states. However, with the beginning of reform and opening up in the 1980's, owing to a variety of complicated factors, large and medium-sized state-run enterprises, which had always been making the largest financial contributions to the central authorities, have been playing a rear-guard role in reform and opening up. Compared with township and town and "foreign-invested" enterprises which are the products of reform and opening up, state-run enterprises are rigid in policy, have an unresponsive mechanism, and obviously lack competitiveness. With the beginning of the 1990's, expediting the pace of reform in large and medium-sized state-run enterprises had become a consensus among the high and low levels of the whole country. Shanghai is determined to take advantage of this central work meeting and seize this good chance it provides to turn large and medium-sized state-run enterprises from being a rear guard of reform and opening up into a vanguard. Huang Ju stressed that the pursuit of the integrated experiments in enlivening large and medium-sized state-run enterprises in Shanghai will enable the effort to deepen reform and expand opening up in the 1990's more systematic, better coordinate the effort to reinvigorate Pudong and Puxi, and provide a greater chance for fulfilling Shanghai's strategic goals in the 1990's.

Shanghai's Basic Line of Thinking

Huang Ju made a summary of Shanghai's basic line of thinking in the pilot project of enlivening large and medium-sized state-run enterprises: Under the premise of

three adherences, pursue the four reforms, straighten out relations in four aspects and establish four kinds of mechanisms.

The "three adherences" are: Adhere to the socialist direction and the implementation of various CPC Central Committee and State Council principles and policies; to the policy of "the whole country being interconnected as if a chess game" in order to better serve the whole country; and to fulfilling various missions instructed by the state and submitting the full amounts of the financial gains promised to the central authorities. On this basis, localities can centralize arrangements and fully exploit the favorable conditions made possible by Pudong development to enliven large and medium-sized state-run enterprises.

Huang Ju stressed that further enlivening large and medium-sized state-run enterprises involves every sector of the national economy, affects all aspects of production relations and touches all contradictions in economic life, and therefore calls for integrated treatment, package reform, and changing large and medium-sized state-run enterprises from being appendages of government administrative organs into being relatively independent commodity producers and operators. Enterprises must cease eating from the "same big pot" of the state, and workers must cease eating from the "same big pot" of enterprises, and become an economic entity that "independently enjoys profits and bears losses, as well as independently carries on management, self-development, and self-restraint."

On such a line of thinking, Shanghai must pursue four reforms, straighten out relations in four aspects and form four mechanisms. Huang Ju sketched the basic framework of reform: One, straighten out financial relations between government and enterprises, and form a development mechanism that encourages enterprises to strive ahead. For this purpose we must perfect the contracted management responsibility system and make the transition toward the system "of separating taxes and profits and after-tax loan repayment," so that the financial relationship between government and enterprises is grounded on a relatively stable, standardized and transparent legal basis. Second, straighten out the relationship between ownership and management rights and create a self-restraining mechanism within enterprises. For this purpose we must reform the management system, establish a double-tier management organization made up of an enterprise management committee and an economic department. The committee will take full charge of the investment, allocation and handling of assets, safeguard public assets and prevent drains and losses. Managers will take full charge of enterprise daily operation management. Third, straighten out the relationship between production and operations in enterprises, with the aim of forming a competitive mechanism where the good survive and the bad are eliminated. For this purpose, we must improve government's way of managing enterprises, further reduce direct management on enterprises, move them toward the market and gradually lift controls from operations. Fourth, straighten out the relationship

between enterprises and workers, and put in place an incentive-boosting mechanism that can motivate enterprise workers. For this purpose, we must launch personnel and labor system reform which will combine the all-personnel labor contract system with a post-based and skill-related wage system.

Probe in Various Channels To Find Ways To Enliven Large and Medium-Sized State-Run Enterprises

Huang Ju, who has long been in charge of Shanghai's economic work, has gone to grass-roots levels to make in-depth surveys and studies of ways to enliven large and medium-sized state-run enterprises, and has had detailed discussion with various general economic departments and research departments on structural reform. He believes that only the methods of reform and opening up can enliven large and medium-sized state-run enterprises; and package reforms that touch deep-level economic problems must take into consideration the actual strain posed by economic and social problems, proceed in stage batch by batch, and must explore other channels.

The pilot project of enlivening large and medium-sized state-run enterprises in Shanghai will concentrate mainly in four areas: One, pursue the pilot reform of changing the mechanisms and lifting controls on operations only in enterprises that do not affect national livelihood, not in joint-investment enterprises. Enterprises that are to undergo this reform will enjoy the policies currently enjoyed by other kinds of enterprises elsewhere in the country; especially those in Chinese-foreign joint-investment enterprises, which aim to enliven and decontrol. Second, initiate through expansion and opening up the "foreign-invested" enterprise type in large and medium-sized state-run enterprises which are export-oriented and import mainly foreign technology, to rapidly boost their vitality. Third, perfect the contracted management responsibility system, conduct technological renovation, strengthen internal management and change the employment system in most of the large and medium-sized state-run enterprises in order to gradually enliven them. Fourth, make up our mind and shut down, suspend, merge, retool, or switch to tertiary industry, those large and medium-sized state-run enterprises whose products do not have a market and which do not have the reserve strength for development and suffer from long-time losses.

As the reporter understands it, pilot programs of the first kind of enterprise reform have started. The Shanghai Tires and Rubber (group) Company, the Shanghai Analytic Instrument Factory, and the Shanghai Industrial Knitting Factory recently have signed agreements with their administrative superiors and general economic departments on perfecting enterprise operation mechanisms and pilot reform programs. Initiating "foreign-invested" enterprises and "grafting the joint-venture system" on enterprises owned by the whole people, are another two ways to enliven large and medium-sized state-run enterprises. Shanghai has produced a series of measures designed to encourage "joint investment."

There are over 900 "foreign-invested" enterprises in the municipality's industrial system. Moreover, Shanghai has identified 13 enterprises for a pilot labor and personnel system reform which features chiefly the all-personnel labor contract system; and close to 70 enterprises for a pilot labor wage system which will center on work-post contracts. This year Shanghai will conduct the pilot reform of "separating profits and taxes and after-tax loan repayment" in 38 enterprises. Enterprise merging and takeover in Shanghai has also picked up speed. Since 1989, the municipality, in conjunction with production structural adjustment has merged 143 enterprises across the municipality, of which 35 were done in this year. So far 600 million yuan of fixed assets have been released from a semi-idle state and have gradually appreciated in value and returns; 60,000 workers have been properly arranged for their jobs and a batch of key products developed.

Huang Ju said seizing the opportunity and grasping organizational renovation and centering on perfecting business conglomerates, are important ways for enlivening large and medium-sized enterprises and represent objective demands if enterprises are to improve their worth in international competition. The Shanghai Municipality will focus on closely coordinating and diversifying business conglomerates and also orienting them toward the outside world. He revealed that Shanghai is considering gradually breaking the barriers between industry and trade, and industry and commercial sectors, canceling the difference between industrial and financial capital, and gradually building integrated commercial agencies which combine in one body, production, investment, trade and banking functions, and chain enterprises which combine in a unified line tourism, shopping and services, and multinational corporation which connect domestic and international markets.

"The current stress of doing a good job in large and medium-sized state-run enterprises and viewing this as a significant event for upholding the socialist path does not mean at all that we will change the established policy of taking public ownership as the main body and properly developing a variety of economic elements." Huang Ju especially pointed out that "in Shanghai industry, 'foreign-invested' enterprises account for merely some 6 percent of the municipality's gross industrial output value and individual and privately-run economy even less. In the future we will guide them toward healthy development and turn them into essential and beneficial supplements for the socialist public ownership economy."

Lastly, Mayor Huang Ju said confidently: Shanghai is faced with two rare opportunities of developing and opening up Pudong and enlivening large and medium-sized state-run enterprises. We must try further to change our style, quit empty talks, grasp with real efforts, start with building up individual points, which will gradually build up into a base, implement as quickly as possible the series of principles and policies drafted and laid down by central work conferences, make Shanghai's large and medium-sized state-run enterprises a "national

representative team" in international economic competition and make new contributions toward the national enterprise reform and economic development.

Official Stresses Circulation Structure Reform

HK0612050491 Hong Kong CHING CHI TAO PAO
in Chinese No 48, 2 Dec 91 p 9

["China Economic News" article: "Hong Hu, Vice Minister of State Commission for Restructuring Economy, Says Reform of Circulation Structure To Be Main Feature of 1992 Reform"]

[Text] Speaking at a meeting designed to map out next year's reform plan, Hong Hu, vice minister of the State Commission for Restructuring the Economy, pointed out: It is necessary to focus on deepening the reform of the system of commodity circulation to bolster and perfect the country's integrated market and push large- and medium-sized state-run enterprises closer to the market system.

He said: Injecting vitality into circulation is an important prerequisite for effective management of large- and medium-sized state-run enterprises, because it plays a role in promoting and guiding production and, on the other hand, it also serves to guide and regulate consumption. Many enterprises suffer from surplus inventory and declining economic performance, all of which seriously restrict the growth of production. While the reasons for these are multifaceted, the lack of a smooth flow of commodities is also a very important factor.

To inject vitality into circulation, it is necessary first of all to do a good job of enterprises involved in circulation by concentrating efforts to boost the vitality of state-run and joint venture businesses and enterprises. This is the key to invigorating circulation.

Finance Ministry Rules on Joint Venture Profits

HK0612072191 Hong Kong CHING CHI TAO PAO
in Chinese No 48, 2 Dec 91 pp 8-9

["China Economic News" article: "Finance Ministry Issues New Regulations on Profit Allocation for Sino-Foreign Joint Venture Enterprises"]

[Text] The Ministry of Finance recently outlined its regulations on the allocation of profits of Sino-foreign cooperative (joint venture) enterprises. According to the regulations, the Chinese and the foreign sides should promptly submit the capital registered according to the contract in full. Enterprises which fail to do so but are already fully operational may not use their income to cover capital payments that the investors have not yet fully paid. The registered capital from both the Chinese and foreign sides should be contributed by the investors. For Sino-foreign joint ventures which have already been approved and registered, which use original or newly constructed factories and facilities supplied by the Chinese side, and whose foreign partners have yet to pay off the capital, the profits generated by the joint ventures from

production carried out on assets from Chinese investors may not be subject to distribution in case the foreign partners have not paid their capital share before the deadline stipulated in the contract. Profit allocation may be effected only after the foreign partners have honored their contractual obligations. If a foreign partner fails to pay its share of capital after the deadline expires, they will then be subject to legal action for breach of contract according to Chinese law. Furthermore, the enterprise's profits will go entirely to the Chinese side and will be subject to taxation and profit retention rulings in accordance with the economic nature and financial taxation system governing the original Chinese investors.

Special Economic Zones Enjoy 'Rapid Growth'

OW0312230491 Beijing XINHUA in English
1506 GMT 3 Dec 91

[Text] Beijing, December 3 (XINHUA)—China's five special economic zones (SEZ) have witnessed a rapid growth of industrial production and closer ties with international markets this year.

According to the SEZ Administration Office under the State Council, the total industrial output value in Shenzhen, Zhuhai, Santou, Xiamen and Hainan this year are expected to reach 49 billion yuan, up almost 60 percent over that of last year.

The revenue in those regions is expected to rise to 5.4 billion yuan, 1.2 billion yuan more than last year.

Huang Taihe, a senior official from the SEZ Administration Office, said that one reason for the soaring industrial production lies in the fact that a number of projects started in 1985 are in full operation now. Growing demands of domestic markets also contributed, he added.

Huang estimated that the entire turnover from retail trade in the SEZ for 1991 could be 18.8 billion yuan, a rise of 25 percent over that of last year.

Statistics show that this year the industrial output value by foreign-invested enterprises accounted for more than half of the SEZ's total. And foreign investors have kept coming. From January to November this year, 2,258 foreign-funded projects were set up in the SEZ, 475 more than last year's total. As most of the products of these enterprises are exported, the SEZ's economic relations with international markets are improving, Huang said.

Economists here pointed out that apart from the industrial growth the SEZs have had three noteworthy developments this year.

One is the expanding construction of infrastructure. Unlike several years before when such constructions were mostly for primary projects like water and gas supply, this year they are for railway stations, highways and causeway bridges, and an airport.

Another is the changing of the industrial mix. Processing used to be the main component of the SEZ's industry but gradually that is yielding ground to high-tech output.

The other is the growing financial markets. The stock markets have been developing remarkably. In Shenzhen alone, 11 stock companies opened this year, and by the end of this year, the stock circulated in the city could be more than 400 million yuan.

All this, the economists said, has laid a sound foundation for the SEZ's continuing development.

Automated System Facilitates Securities Trading

OW0512231791 Beijing XINHUA in English
1521 GMT 5 Dec 91

[Text] Beijing, December 5 (XINHUA)—After one year of operation, the securities trading automated quotations system (STAQ) has become the largest government bond market in China, with the accumulated transaction volume exceeding 1.15 billion yuan.

The system was launched December 5 last year and has its headquarters in Beijing. Economists say that the system, along with the securities exchanges in Shanghai and Shenzhen, has played an important role in promoting standardized management in China's securities market.

During the past 12 months the system has increased its member firms from 18 in six cities to the present 40 in 13 cities, the trading volume has reached 200 million yuan a month.

Through a computerized nationwide network, the system provides such services as price quotation, computer-aided trading, centralized clearance and settlement, and market analysis. It has helped link up separate local stock exchanges to form a national market.

Statistics show that China has issued over 200 billion yuan in securities to date, over 80 percent of which are in the form of government bonds.

State Council Circular Reviews Grain Production

OW0612035691 Beijing XINHUA Domestic Service
in Chinese 1520 GMT 5 Dec 91

["State Council Issues an Urgent Circular on Grasping the Work of Combating Drought and Rush Planting To Increase Grain Output Next Year by Every Possible Means"—XINHUA headline]

[Text] Beijing, 5 Dec (XINHUA)—The State Council on 4 December issued an urgent circular on grasping the work of combating drought and rush planting to increase grain output next year by every possible means. The full text follows:

People's governments of various provinces, autonomous regions and municipalities directly under the central authorities, and concerned departments under the State Council:

This year, drought disaster hit some areas (regions and municipalities) of most provinces to various extents of our country. The situation of drought in Fujian, Henan, Shanxi, Jiangxi, Shaanxi, Anhui and Guangdong provinces and Guangxi Zhuang Autonomous Region was especially serious. According to initial statistics made by concerned departments, more than 260 million mu of farmland in the whole country were afflicted with drought, of which some 200 million mu of farmland were seriously hit by drought. The drought situation has not only seriously affected the progress of autumn and winter planting and the fulfillment of the sowing plan, but has also damaged seedlings of crops planted in the autumn and winter and caused a shortage of drinking water for people and animals in some mountainous areas. According to weather departments' forecasts, rainfall and snowfall will be relatively light in this winter and next spring, especially in the northern regions. The drought situation will thus continue to develop. Most of the areas hit by drought are our country's important grain-producing areas, and so grasping the work of combating drought and rush planting will have a significant bearing on the production of summer grain and edible oil in next summer. Therefore, the people's governments at various levels in areas hit by drought and concerned departments of the State Council must further strengthen their leadership, consider the work of combating drought and rush planting as an important current task, and work hard to increase the output of grain next year. For this reason, tasks are pointed out as follows:

1. Various localities and concerned departments should go all out to do a good job in combating drought, rush planting and protecting seedlings in light of the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee. In areas seriously hit by drought, the principle responsible comrades should personally pay attention to and firmly grasp the implementation of the work. All concerned departments should do their best to provide the materials and power necessary for the fight against drought and should increase investment of funds for irrigation projects. Various

localities should mobilize and organize cadres for water conservancy, agriculture, finance, supply, electric power and farm machinery departments to go down to the countryside and help the masses solve actual problems and difficulties in combating drought.

2. On the basis of fully utilizing the existing irrigation facilities, it is necessary to actively develop the use of underground water and increase water sources and irrigation facilities to fight against drought. Meanwhile, it is essential to encourage peasants to seek ways to conserve water and preserve the moisture of the soil through practice, and do their best in rush planting and replanting of crops in order to make up for area not planted with crops.

3. It is essential to strengthen the unified management of water resources and use water in a planned and economical way. It is necessary to adjust the supply of water in a scientific, unified and planned way, and distribute water in fixed quantity. Various localities should mobilize all trades and the masses to adopt effective measures to conserve water. In areas seriously hit by drought, we should, on the basis of insuring a water supply for agricultural production and urban populations, reasonably provide water for power generation and navigation. It is necessary to further improve social services in irrigation work, establish drought-fighting service teams in accordance with local conditions, and properly procure necessary tools and equipment for the fight against drought.

4. Various localities and concerned departments should continue to carry forward the fine style in the fight against flood and disaster relief work, seriously do a good job in mobilizing the masses to fight against drought and make arrangements for the welfare of victims of serious drought. In particular, it is necessary to pay attention to solving the problem of drinking water for people and animals in areas hit by drought. If necessary, nearby towns should be mobilized to assist the delivery of water to mountainous areas in order to insure stability in rural areas and society.

East Region

Lu Rongjing Relays Central Committee Guidelines*OW0612030491 Hefei Anhui People's Radio Network
in Mandarin 1100 GMT 4 Dec 91*

[From the "Provincial Hookup" program]

[Text] The provincial party committee held a Standing Committee meeting on 3 December to transmit the documents of the Eighth Plenary Session of the 13th CPC Central Committee. The meeting called for conscientiously studying, publicizing, and implementing the guidelines of the plenary session; seeking unity of thinking among the large number of cadres and people with the guidelines; and further opening up new prospects for Anhui's agricultural and rural work.

Lu Rongjing, secretary of the provincial party committee, chaired and briefed the meeting on the Eighth Plenary Session of the 13th CPC Central Committee, as well as conveyed the basic guidelines of the plenary session. Comrades Fu Xishou, Yang Yongliang, and Zhao Baoxing, who had attended or observed the Eighth Plenary Session of the 13th CPC Central Committee, respectively transmitted the CPC Central Committee's decision on strengthening agricultural and rural work and resolution on convening 14th National Congress of the Chinese Communist Party, which were adopted during the plenary session; as well as Comrade Jiang Zemin's keynote speech at the plenary session.

Comrades attending the meeting conducted an initial study and discussion of these documents after they were transmitted. They unanimously supported the decision and resolution adopted during the Eighth Plenary Session of the 13th CPC Central Committee and completely agreed with Comrade Jiang Zemin's keynote speech. They held that the decision of the plenary session had comprehensively summed up the achievements and experiences of the party in leading the large number of peasants to construct new socialist villages with Chinese characteristics in the 1980's; practically revealed problems existing in developing the rural economy and society; profoundly expounded the overall objectives and major tasks in rural development and reform for the 1990's and set corresponding principles, policies, and measures; and fully reflected the common aspirations of the large number of cadres and people. It is a programmatic document guiding agricultural and rural work in the future, and is even more significant for the agriculturally-dominant Anhui Province to study and implement the guidelines of the decision.

The meeting first discussed opinions on carrying out the documents and asked leading cadres at all levels throughout the province to conscientiously study them in line with actual situations, thoroughly absorb the guidelines, and use them to seek unity in thinking. Having achieved this task, they should thoroughly and extensively publicize the guidelines of the plenary session among the public, so that they are known by every

household and will take root in the hearts of the people. Meanwhile, leading cadres should also conduct profound and careful surveys, conscientiously sum up experiences in agricultural and rural work in their respective localities, take concrete measures in accordance with their actual situations, and truly carry out the guidelines of the decision in a down-to-earth manner. They should closely integrate the study and publicity of the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee with present work, so that the guidelines will become a tremendous impetus to promoting Anhui's ongoing campaigns of production for providing disaster relief, building water conservancy projects, restoring and developing economy, conducting socialist education in rural areas, among other tasks.

The meeting decided to hold the Fifth Plenary Session of the fifth provincial party committee in the near future to convey and study the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and General Secretary Jiang Zemin's speech during his inspection of Anhui; and to study opinions for implementing them.

Comrades in charge of the provincial Advisory Committee, Standing Committee of the provincial people's congress, provincial government, provincial committee of the Chinese People's Political Consultative Conference, provincial Discipline Inspection Commission, and relevant departments attended the meeting as observers.

Shandong Improves Farm Efficiency Through Science*OW0612104591 Beijing XINHUA in English
0846 GMT 6 Dec 91*

[Text] Beijing, December 6 (XINHUA)—East China's Shandong Province is improving the efficiency of farm production by tapping local resources and using modern sciences, the PEOPLE'S DAILY [RENMIN RIBAO] reported today.

The high efficiency agriculture is marked by a transfer to "commodity production". At the initial stage, the fundamental target of grain production is to meet the needs of feeding the local population. Only when this target has been realized, can farm production be upgraded to enter the commodity market, according to farm experts.

The Shandong provincial government made a survey recently of 13 counties and regions which were found to have gained useful experience in deepening farm production.

The common practice is to raise the output of farm fields by improving land fertility, expanding cropping index and increasing varieties of plants. In addition, many regions have expanded acreage through reclamation of wasteland and hills to form new production capacity.

Zhaoyuan County has enlarged its fruit gardens three times in the past 10 years and increased its fruit production income from 13 million yuan to 40 million yuan, the paper reported.

Animal husbandry has been developed rapidly in the rural areas of major cities. It has not only met the needs of urban meat consumption, it also helped increase the organic fertilizer in the land.

Local farmers have also set up breeding, processing, storage and transport systems to cope with the expanded business. Rural factories have been set up to process dairy products, flour and flavorings and they have increased the earnings of local farmers.

The total value of the farm product processing industry of Shandong cities reached 1.2 billion yuan last year.

Many rural regions in Shandong have also aimed at the international market. Yantai city has 50 townships turning out farm products for export. The purchasing value of their sideline and deep-processed products has reached 716 million yuan, the paper reported.

Japanese Company Wins Land Use Rights in Pudong

OW0612110091 Beijing XINHUA in English
0855 GMT 6 Dec 91

[Text] Shanghai, December 6 (XINHUA)—The Jingqiao Export Processing Zone Development Company of Pudong New Area in Shanghai and a Japanese garment company have recently signed a land-use right transfer contract.

According to the contract, the Japanese company will use 2,000 square meters of land to set up a garment factory and produce high-grade women's garments for export.

The construction of the main workshop has been completed. The factory will go into production by the end of this year.

Chiang Kai-shek's Zhejiang Home Draws Tourists

OW0612110591 Beijing XINHUA in English
0856 GMT 6 Dec 91

[Text] Hangzhou, December 6 (XINHUA)—In the first ten months of this year, the Xikou Township of Fenghua city in east China's Zhejiang Province, hometown of the late Chiang Kai-shek and Chiang Ching-kuo, received over 800,000 tourists from home and abroad. The township has become a new hot scenic spot in the province.

Officials from the Fenghua Administration of Tourism said that since Xikou was listed as the major scenic spot of the province in 1986, more than 15 million yuan have been allotted for the restoration of the former residence of the Chiang family and construction of roads.

The property of the Chiang family restored included two saltshops and the Wenchangge Library. Other attractions are Chiang's mother's tomb, the Xuedou Temple, Chiang's summer resort on the Miaogao Terrace and the China Travel Service where Zhang Xueliang was once imprisoned. The township has received over 7,000 overseas tourists this year.

Fenghua city has also set up a number of high-grade hotels with a total investment of 47 million yuan, such as the Huayi Mansion and Wuling Hotel.

Central-South Region

New Guangzhou Secretary Vows To 'Remain Modest'

HK0612085891 Guangzhou Guangdong People's Radio
Network in Mandarin 1000 GMT 5 Dec 91

[Text] On the morning of 5 December, Gao Siren, new secretary of the Guangzhou CPC Committee, said sincerely at a meeting of over 300 leading cadres at district, county, and bureau levels that he will remain modest and prudent, be realistic, work hard, and work with all the leading cadres at all levels and the people of the city to further upgrade Guangzhou's two civilizations. Gao Siren said: Guangzhou is the capital of Guangdong Province and is its political, economic, and cultural center. Assuming this post means I will shoulder important responsibilities. Therefore, I will work hard in several areas to strengthen the study of Marxist theories, continually upgrade theoretical understanding and party spirit and principle, seek truth from facts, proceed from reality in everything, vigorously grasp the law of work for Guangzhou, maintain close ties with the masses, become a pacesetter as an honest official, and welcome supervision from all sectors.

At the meeting, Zhang Hanqing, Guangzhou CPC Committee deputy secretary; and Huang Meining, Guangzhou vice mayor, arranged for work in the near future.

Further on Guangdong Leadership

HK0612053291 Hong Kong THE STANDARD
in English 6 Dec 91 p D-10

[By Cary Huang]

[Text] Guangdong province has scored a victory over the central authorities by appointing, in the past year, five cadres to the most senior provincial positions in an all-round reshuffle of the local leadership.

Sources said Beijing had wanted to place its own people in these posts in the nation's richest province.

However, analysts say the central authorities agreed to the appointment of the local cadres as a major concession to the province.

The appointment of long-time southern province party official Gao Siren to the key post of Party Secretary of the Guangzhou Municipal Committee, formerly held by Zhu Senlin, has ended the battle over the leadership reshuffle between local reformists and conservative-dominated central authorities.

The personnel change, which began early this year, saw five local officials—natives or long-time serving officials in the province—move into all of the most senior party and government posts in the province.

Early this year, Xie Fei, a reformist and a native of Guangdong, succeeded Lin Ruo as provincial party boss.

Mr Lin, 67, was long overdue for retirement.

In May, Zhu Senlin, then Guangzhou party chief, succeeded Guangdong Governor Ye Xuanping, 67, as the acting governor.

Mr Ye is one of the most influential regional leaders. He was posted to Beijing as a vice-chairman of the Chinese People's Political Consultative Conference, a ceremonial post.

Mr Zhu, a native of Shanghai who has served in the province since the early 1950s, is also considered a member of the powerful and bold "Guangdong faction".

In July, native Guangdong cadres scored another significant political victory with the election of two officials to the provincial leadership.

Fushan Mayor Lu Ruihua and Guangzhou Vice-Mayor Ms Li Lanfang were appointed vice-governors.

They succeeded Yu Fei and Kuang Ji, both 62 and past the official retirement age of 60, as deputy provincial heads.

Mr Lu replaced Mr Yu as executive vice-governor responsible for overall administration and economic matters.

All senior positions in the Guangdong government and party are occupied by natives or cadres who have served for a long time in the province.

The promotion of the five local party and government officials to leading positions is considered a victory for Guangdong and its popular former governor Ye Xuanping and his colleagues.

Mr Ye, son of the late Marshal Ye Jianying and brother-in-law of Vice-Premier Zou Jiahua, established his power base in the nation's most prosperous southern province during his five-year term as chief executive.

Deng Hongxun Cuts Ribbon at Trade Fair Opening

*HK0612103691 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 4 Dec 91*

[Excerpts] The five-day 1991 Hainan Provincial Economic and Trade Fair opened in Haikou today. [passage omitted]

At 1000 this morning, Vice Governor Mao Zhijun declared the fair open.

The opening ceremony was attended by over 2,000 people, including provincial party, government, and military leaders such as Deng Hongxun, Liu Jianfeng, Wei Zefang, Li Zhimin, Wang Houhong, Dong Fanyuan, Cao Wenhua, Xin Yejiang, Yao Wenxu, Zhang Jingtao, Li Mingtian, Zhou Song, and Deng Hanmin; as well as Xu Xiaosong, assistant minister of foreign economic relations and trade; Chen Jie, former vice minister and

now adviser of the State Ministry of Foreign Economic Relations and Trade; Cui Jingshan, vice president of the State Trade Promotion Association; and representatives of our province and various fraternal provinces and cities. [passage omitted]

Governor Liu Jianfeng delivered a speech at the ceremony. On behalf of the provincial government, Liu welcomed the Chinese and foreign guests attending the fair and gave an account of Hainan's economic construction achievements over the three years since Hainan was turned into a province and a special economic region, especially Hainan's achievements in building basic facilities and improving the investment environment. Liu said: Hainan is rich in mineral, tropical crop, marine, and tourism resources; is implementing all sorts of preferential policies granted to various special economic zones; and has great potential in absorbing investment. [passage omitted]

Xu Xiaosong, assistant minister of foreign economic relations and trade, also delivered a speech at the opening ceremony, in which he, on behalf of the Ministry of Foreign Economic Relations and Trade, extended congratulations to the fair and wished the fair complete success.

Deng Hongxun, provincial party committee secretary; Liu Jianfeng, governor; and Xu Xiaosong, assistant minister of foreign economic relations and trade, cut the ribbon at the opening ceremony.

Commentary Hails Trade Fair

*HK0612150691 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 4 Dec 91*

["Station commentary"]

[Text] Thanks to 150 days of preparation, the 1991 Hainan Provincial Foreign Economic and Trade Fair solemnly opened today. This is a major event in the provincial economic work and is bound to exert a positive impact on Hainan's further opening up to the outside world. Our station extends warm congratulations to its successful opening and wishes it complete success!

Since being turned into a province and a special economic region [SER], Hainan has become an overseas investment center. Foreign countries and regions have made huge investments one after another and built projects in Hainan. This has greatly invigorated Hainan's development and economic construction. In order to accelerate Hainan's opening up to the outside world, the provincial party committee and government have conscientiously implemented and carried out the basic principle formulated by the Central Committee and the State Council of developing and building Hainan as well as a series of state preferential policies toward Hainan, adhered to the principle of promoting opening up through reform and promoting development through opening up, actively developed an export-oriented economy, and called, in no uncertain terms, for gearing

Hainan's work to opening up to the outside world and making unreserved efforts to create a favorable development and construction environment for foreign and domestic investors.

After three years of efforts, Hainan has substantially consolidated its own economic and social development basis and improved its investment environment. [words indistinct]

We should understand that our province is in a crucial period of absorbing large-scale investment. Successfully holding this large-scale, comprehensive, and grand foreign trade fair is of great strategic significance to enhancing confidence among foreign and domestic businessmen who intend to invest in Hainan, to promote Hainan's export-oriented economic development, as well as to bringing about provincewide national economic prosperity. Thus all trades and professions across the province, especially the trade fair staff, must guarantee high-standard reception, high-quality service, and highly efficient work, with an eye to implanting a good and unforgettable impression among all foreign and domestic businessmen. It should be pointed out: Successfully holding this trade fair is not only a task of various units participating in it as well as a few departments concerned but also an unshirkable duty and responsibility of the people of the whole province. Thus the people of whole country must join hands, make concerted efforts, and successfully carry out work by displaying a lofty, warm, and civilized attitude in order to promote comprehensive development of the Hainan SER.

Liu Jianfeng Welcomes Malaysian Entrepreneurs

HK0612090391 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 3 Dec 91

[Text] Upon the invitation of Hainan Province's Overseas Exchange Association, an eight-person inspection delegation of the Joint Association of the Malaysian Hainan Guild, headed by (Kuo Chien-chang), began a one-week visit and inspection in Hainan on 2 December. Governor Liu Jianfeng met with inspection delegation members at the Huaqiao Guesthouse. Delegation members are all entrepreneurs from large and medium Malaysian enterprises, whose ancestors came from Hainan, and who possess fairly strong financial capability. The purpose of their visit is mainly to enquire about Hainan's investment policy and environment and the situation of Hainan's economic development and construction, and to attend Hainan's Foreign Economic Exchange Trade Fair.

When meeting the guests, Liu Jianfeng briefed them on the situation of Hainan's development and construction, welcomed them to visit friends and relatives and to conduct investigations in their native place, and hoped the delegation would obtain good results. Delegation head (Kuo Chien-chang) thanked the provincial government and various quarters for the lavish hospitality accorded the delegation during its visit.

At the welcoming ceremony, Zhou Zheng, provincial CPPCC [Chinese People's Political Consultative Conference] vice chairman; and persons in charge from various relevant departments, including the provincial Overseas Chinese Affairs Office and the Economic Cooperation, Trade, and Planning Departments, briefed the delegation on the relevant conditions in Hainan.

Inspects Farm Products Fair

HK0612093191 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 3 Dec 91

[Excerpts] The three-day First Hainan Provincial Farm Products Trade Fair ended 3 December. Governor Liu Jianfeng inspected the farm products wholesale market before the trade fair closed, and inquired about the fair's results and the transactions of various cities and counties. [passages omitted]

At the trade fair, contracts on 47 kinds of products were signed, with a transaction volume of 46 million yuan. Agreements of intent on 123 kinds of products were reached, with a trade volume of over 200 million yuan [words indistinct]. Seven contracts and agreements of intent were signed, with a cooperation investment of over 7.3 million. [passages omitted]

At the end of the fair, Governor Liu Jianfeng hoped the farm products wholesale market would continuously improve the wholesale of farm products [word indistinct] and to promote the development of agricultural banks [word indistinct] in Hainan Province.

Li Changchun Visits Drought-Stricken Areas

HK0512121691 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 4 Dec 91

[Excerpts] On the afternoon of 3 December, a medium-sized van sped out of the center of Luoyang city, Xinan County. Heading north, it scaled mountains and drove up slopes.

Governor Li Changchun, who had just come back from Beijing after attending the party's eighth plenary session, was anxiously looking at the large plots of parched land and the common people, carting barrels or with water buckets on shoulder-poles, standing in long lines by wells and springs. In his company, the leaders of the provincial Department of Agriculture and Animal Husbandry and Department of Water Resources, and (Guo Huan), secretary of the Luoyang party committee, were equally heavy-hearted. [passage omitted]

Li Changchun asked the county and township cadres: Can we sink wells here? How long does it take to make one? The township head replied: It will probably take three months to make one well, 50-60 meters deep. Three months is no good, said the governor, what about two months if the digging goes on nonstop, around the clock? The county magistrate and township head thought about it and said with much confidence: That is alright. Governor Li, taking the township head's hand, said:

Good, let us make it two months. Please hurry and make sure water comes out. Let the folks cook their dumplings on Spring Festival eve with the water from the new well. [passage omitted]

Antipollution Project on Hubei Lake Approved

*OW0512120591 Beijing XINHUA in English
1101 GMT 5 Dec 91*

[Text] Wuhan, December 5 (XINHUA)—A project to clean up pollution in East Lake of Wuhan, capital of Hubei Province, was approved by the State Planning Commission recently.

A provincial government official said that the project has also been listed in the key science and technology programs during the Eighth Five-Year Plan period (1991-1995).

The East Lake, located in the suburbs of Wuhan, has an area of 42 sq km. It is a typical lake in the suburbs of cities in the middle and lower reaches of the Yangtze River. The population in the lake area exceeds one million.

The official said that the lake is the primary source of drinking water and of water for industry and agriculture. However, the increases of population and the development of industry and agriculture have resulted in large quantities of foul water being emptied into the lake every day.

He said the project will be launched in four phases, including control of the external pollution of the lake, the disposition of the plants in the lake area, and an ecological project.

Completion of the East Lake project is targeted for within five years. The project will ensure that the water quality in East Lake will be free of pollutants.

Experts said that this project will serve as a model for solving pollution problems in suburban lakes around the country.

North Region

'Courageous Citizens' To Be Selected in Beijing

*OW0512120491 Beijing XINHUA in English
1046 GMT 5 Dec 91*

[Text] Beijing, December 5 (XINHUA)—The Beijing municipal government has started the selection of twenty "courageous citizens" among Beijing residents.

The move was launched to encourage citizens to love the city and dare to struggle against devious and unhealthy activities. Those who face danger fearlessly in protecting the property of the state and the lives of people and dare to sacrifice themselves in the fight against criminals will be among those considered for "courageous citizen" citations.

The selections have been initiated by the municipal group for promoting cultural and ideological advancement.

Beijing Designs Villages To Conserve Arable Land

*OW0412091891 Beijing XINHUA in English
0756 GMT 4 Dec 91*

[Text] Beijing, December 4 (XINHUA)—New buildings of Xinjie village in Beijing's southwestern Fangshan District are all designed according to the city's overall architectural plan in a bid to conserve arable land.

Xinjie is among the 23 villages and towns which have been designed under the unified municipal construction plan.

Developments in their economy have helped 3,010 villagers increase their incomes to the point that many have built new homes.

These new homes were designed by the Architectural Designing Academy under the Ministry of Construction with special attention paid to local religious, cultural and social customs. The total living area of each family has reached 80-100 sq m.

Yang Rui, a municipal government official in charge of township construction, said living quarters were designed to be multi-functional without occupying too much land. The design has saved the village 54 hectares of arable land yet has provided such auxiliary facilities as a cinema, a hospital, a market, and gardens.

Yang said that 23 newly-built suburban villages have conserved a total of 400 hectares of arable land by using the new designing strategy.

Xing Chongzhi at Opening of S&T Congress 14 Oct

*SK0612064491 Shijiazhuang HEBEI RIBAO
in Chinese 14 Oct 91 p 1*

[By reporters Nie Linan (5119 5259 1344) and Yang Jinzhi (2799 6855 2655): "The Fourth Congress of the Provincial Science and Technology Association Ceremoniously Opens"]

[Text] The fourth congress of the Hebei Science and Technology Association, long hoped for by scientific and technological workers throughout the province, ceremoniously opened in Shijiazhuang on the morning of 14 October.

The central tasks of this congress are: Conscientiously study and implement the guidelines of the Fourth Congress of the China Association for Science and Technology; summarize the work achievements and experiences gained since the Third Congress of the China Association for Science and Technology; further define tasks for future work; and mobilize the vast number of scientific and technological workers in the province to shoulder the glorious mission of invigorating Hebei through science and technology and to work hard for the attainment of the province's second-step strategic goal!

The 23 delegations, 596 formal delegates, 42 specially invited delegates, and 25 non-voting delegates from across the province happily gathered under the same roof with high morale. Of these delegates, 218 were senior

scientists and technicians, 264 were middle-class scientific and technological workers, 410 were middle-aged and young delegates, with the age ranging from 80 to 24 years, 77 were woman delegates; and 23 were delegates of minority nationalities.

Wei Jiankun, vice chairman of the provincial Science and Technology Association, presided over the congress. Wang Jian, chairman of the provincial Science and Technology Association, delivered an opening speech.

On behalf of the provincial party committee and the provincial government, Xing Chongzhi, secretary of the provincial party committee, extended a warm welcome to the congress, and extended cordial regards and lofty respect to all delegates to the congress, and to, through delegates, the vast number of scientific and technological workers on all fronts of the province who have contributed to developing Hebei's economy as well as scientific and technological undertakings!

Liu Shu, secretary of the secretariat of the China Association for Science and Technology, attended the congratulatory congress. Delegates of the provincial Trade Union Council, the provincial Communist Youth League committee, the provincial Women's Federation, the provincial Federation of Art and Literary Circles, the provincial Federation of Social Science Societies, and the provincial Federation of Returned Overseas Chinese extended congratulatory speeches.

On behalf of the third committee of the provincial Science and Technology Association, Duan Huaici, vice chairman of the provincial Science and Technology Association, made a report entitled "Shoulder the Glorious Mission of Invigorating Hebei Through Science and Technology, and Work Hard for Attaining the Second-Step Strategic Goal." The first part of the report is devoted to reviewing the work of the provincial Science and Technology Association since the third congress. She said: Since the third congress, under the leadership of the provincial party committee and the provincial government, and under the guidance of the China Association for Science and Technology, the provincial Science and Technology Association has united and organized scientific and technological workers to do a lot of work in promoting the prosperity and development of science and technology in the province. As a result, a new work sphere has been pioneered, fine economic efficiency and extensive social influence have been produced, and headway has been made in organizational building of the Science and Technology Association. The second part of the report is devoted to expounding the historical duty of scientific and technological workers in invigorating Hebei through science and technology. She said: Although the province's scientific and technological undertakings made headway during the Seventh Five-Year Plan, the scientific and technological potential have not yet been fully tapped, and many scientific and technological research achievements have not been popularized on a large scale. For this reason, all scientific and technological workers in the

province should enhance the sense of urgency and the sense of responsibility, and shoulder the historical mission of fulfilling the strategy of invigorating Hebei through science and technology, the province's Eighth Five-Year Plan, and the province's 10-Year Program. The third part of the report is devoted to defining the basic tasks for the coming five years as follows: 1) Centering on the targets of the Eighth Five-Year Plan, science and technology associations should give full play to their role as assistant to contribute to promoting the province's economic chorus, the general war of scientific and technological progress, and the construction of socialist spiritual civilization. 2) Science and technology associations should conscientiously perform their functions and duties, and better exploit their role as a link to establish even closer party and government ties with the scientific and technological workers. 3) Science and technology associations should persist in the party's basic line known as "one center and two basic points," further deepen reform, and combine reform with construction. 4) Science and technology associations should make great efforts to build successfully the "home of scientific and technological workers."

Major items on the agenda of this congress are: Examine, discuss, and approve the work report of the third committee of the Hebei Province's Science and Technology Association; approve the "Constitution of Hebei Province's Science and Technology Association," offer advice and suggestions for the province's economic leap; and elect the fourth committee of the Hebei Science and Technology Association.

Seated on the rostrum were specialists, professors, and delegates of scientific and technological workers; including Zhang Zonghu, Zou Renyun, He Ruirong, He Wenchen, Cui Xiang.

Attending the congress were leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, and the provincial military district; including Lu Chuanzan, Li Bingliang, Li Wenshan, Ye Liansong, Liu Shanxiang, Chen Yujie, Han Licheng, Zhang Zhenhuai, Liu Ying, Bai Shi, Gu Erxiong, Xu Chunxing, Du Jingyi, Wang Enduo, Ma Xinyun, Hua Binglai, and Li Feng.

Congress Concludes

SK0612064591 Shijiazhuang HEBEI RIBAO
in Chinese 16 Oct 91

[By reporters Yang Jinzhi (2799 6855 2655) and Nie Linan (5119 5259 1344): "The Fourth Congress of the Provincial Science and Technology Association Successfully Ends"]

[Excerpts] The three-day fourth congress of the provincial Science and Technology Association successfully ended in Shijiazhuang on the afternoon of 15 October, after satisfactorily completing all items on the agenda.

During the congress, delegates studied the speech of Xing Chongzhi, secretary of the provincial party committee; discussed the work report delivered by Duan Huaici; and offered many important proposals by focusing on the subject that "economic construction must depend on science and technology, and scientific and technological work must gear itself to economic construction." Xing Chongzhi and Li Bingliang had talks with the province's noted scientists and the 15 delegates winning the youth science and technology awards. Xing Chongzhi and Li Bingliang expressed hope that these scientists and delegates would make new achievements in research on basic theory as well as of high and new technology, and would make new contributions to translating science and technology into practical productive forces.

By secret ballot, the congress elected 96 members, and organized the fourth committee of the provincial Science and Technology Association. At the first meeting of the fourth committee of the provincial Science and Technology Association, Zou Renyun was elected chairman of the committee; and Duan Haici (female), Wei Jiankun, Yin Chengchuan, Liu Xiuhua (female), Li Zhichan, Jin Hanzhong, and Shang Qingwu were elected vice chairmen. [passage omitted]

Attending the closing ceremony were leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, and the provincial military district; including Xing Chongzhi, Li Bingliang, Guo Zhi, Ye Liansong, Liu Shanxiang, Chen Yujie, Du Benjie, Gu Erxiong, Xu Chunxing, Wang Enduo, Ma Xinyun, Hua Binglai, and Li Feng.

Bu He Article Views Development of Industry

*SK0512022591 Hohhot NEIMENGGU RIBAO
in Chinese 9 Oct 91 pp 1, 3*

[By Bu He, chairman of the Inner Mongolia Autonomous Region: "Develop the Industry of Inner Mongolia by Proceeding from Actual Conditions"]

[Text] Agriculture, animal husbandry, and forestry are the basic production means of the region, and industry is the predominant production means of the region. To attain the goal of quadrupling the GNP [gross national product] by the end of this century, like the rest of the country, we must place industrial development in an even more prominent position in the course of continuously developing agriculture, animal husbandry, and forestry. The Eighth Five-Year Plan and the next decade are another golden period for the economic development of the region, particularly industrial development. We must take advantage of this opportunity to create, with great enthusiasm and a scientific attitude, a path of industrial development with the region's characteristics, by proceeding from actual conditions.

1.

Understanding Inner Mongolia's current industrial development situation constitutes the foundation for defining the region's industrial development strategy in the future. More than 40 years ago, the region's industry began from almost nothing, and now the region has already initially given rise to an industrial system embracing iron and steel, coal, machinery, woolen textiles, power, and electronics industries. Affected by special historical and geological factors, natural resources, industrial foundation, and the layout of the national economic strategy, the region's industry has been characterized by the following distinctive local styles.

A. The style of natural resources development. If we call the industry of coastal areas "processing-style" industry, then the region's industry can be called the typical style of natural resources development. Inner Mongolia is an area with extremely rich natural resources. In view of the region's rich natural resources, the state has designated the region as the energy and raw materials base in national industrial construction while making the overall economic development strategy of the whole country. The style of natural resources development has been prominently manifested in not only heavy industry but also light industry. Over the past few years, primary products have accounted for more than 70 percent of all industrial products of the region. The 1990 statistics show that among the region's enterprises exercising independent accounting, the net output value of the mining industry and the raw materials industry accounted for 76 percent of the net output value of heavy industry as a whole; and the net output value of the industry with agricultural and livestock products, as its raw materials accounted for 79 percent of the total light industrial output value, both of which greatly exceeded the proportions of the country as a whole.

B. The style of inserted heavy industry. Inner Mongolia's industry has not developed on the order of agriculture, light industry, and heavy industry, but was begun from developing the basic raw materials industry with state investment under the special historical condition right after the founding of the country. Comparatively speaking, in the region, heavy industry outstripped light industry, and the region's industrial structure had the characteristic of inclining to heavy industry at the very beginning. During the First and the Second Five-Year Plans, Inner Mongolia invested a total of 3.14 billion yuan in industrial construction, of which, the investment in heavy industry accounted for 92.2 percent of the total. Although the region continuously readjusted the ratio between heavy and light industries since then, the industry as whole still has the characteristic of inclining to heavy industry now. In 1990, in the region's total industrial output value, the output value of heavy industry accounted for 57.1 percent.

C. The style of having combined technologies. Inner Mongolia is engaged in developing industrialization and modernization at the same time. By promoting the

development of industrialization and modernization based on different technologies, the region's industrial technology structure has the style of having combined technologies of various levels. That is, manual operations, semi-manual operations, machinery technology, semi-machinery technology, and modern automatic control technology exist at the same time. The sample survey on industrial production in 1985 showed that of all the operation workers at the state-owned and collective industrial enterprises at or above the banner and county level, 45.3 percent were engaged in manual operations, 36.66 percent were engaged in semi-machinery operations, 16.85 percent were engaged in mechanical operation, and 1.19 percent were engaged in automatic control operations. Of the equipment of the enterprises, 34.9 percent was manufactured in the 1980's; 39.2 percent, in the 1970's; 13.1 percent, in the 1960's, 12.5 percent, in the 1950's; and 0.26 percent, before the founding of the PRC. Over the past five years, the region has made noticeable technological progress. Viewing the general situation, we know that the region's technological level is fairly low; and trades and enterprises are very different in terms of their technological levels.

D. The style of having small industrial areas. The region is a vast territory. Localities are different in terms of their natural resources and economic foundation. They also have individually established economic contacts with the neighboring areas in northeast China, north China, and northwest China. With the rich lignite, forest, and dairy products resources, and with comparatively convenient transportation conditions, the industrial areas in the eastern part of the region set up an industrial system with the focus on developing coal and power industries and processing dairy products. The industrial area in the central part of the region has a fairly solid industrial foundation. These industrial areas, where technological forces are concentrated, focused their energy on developing the metallurgical, machinery, chemical industrial, power, light textile, and electronics industries. The industrial areas in the western part of the region have rich chemical industrial materials, including salt, soda, and mirabilite; have about 70 percent of the region's total coke reserves; and also abound with rich nonferrous metals and building materials. Therefore, the western industrial areas have been characterized by the coal industry, the building industry, and the chemical industry.

2.

There are many favorable conditions for the region's industrial development. Simultaneously, the region's industrial development has also been affected and restricted by various kinds of economic, social, and natural factors. We must appropriately handle the following few relations in order to ensure sustained, stable, and harmonious industrial development.

A. The relationship among agriculture, animal husbandry, light industry, and heavy industry.

Our region has to rely on agriculture and animal husbandry to develop industries. Thus, by developing agriculture and animal husbandry, we can lay a foundation and create conditions for industrial development. Specifically speaking, there are three major indicators for relying on agriculture and animal husbandry to develop industries. First is its dependence in terms of raw materials. The light and textile industries developed principally through relying on agricultural and livestock resources. If there are poor harvests in agriculture and animal husbandry, a large number of industrial and textile industry enterprises will have no raw materials for further production. On the contrary, the light and textile industries will have plenty of raw materials if we reap bumper agricultural harvests and livestock production. Second is its dependence in terms of the market. Rural and pastoral areas are the major market for the consumption of industrial products. The purchasing power of this market is chiefly decided by the harvests of rural and pastoral areas and the income of peasants and herdsmen. Third is its dependence in terms of cost control. A considerable part of Inner Mongolia's industrial enterprises create rather low economic efficiency and consume a great amount of materials. An important reason why they can survive and develop is that they enjoy the support of the cheap raw materials from rural and pastoral areas. In addition, as the production in the lead, industry is also influencing the development of agriculture and animal husbandry. Industrial development can not only provide advanced ways of production to agricultural and animal husbandry development and raise the productivity of agriculture and animal husbandry, but also provide new technology, culture, and concepts to rural and pastoral areas. Improvement in agricultural and animal husbandry production ultimately depends on industrial development. We should properly handle the relationship between industry on the one side and agriculture and animal husbandry on the other. We should have a good grasp of the following two major points. 1) In the macroeconomy, we should adhere to the principle of taking agriculture and animal husbandry as the foundation and industry as the leading producer and ensure the proper ratio of agriculture and animal husbandry to industry in terms of the disposition of resources and fund investment. 2) We should establish a mechanism for industry and agriculture to promote each other and for industry and animal husbandry to promote each other and gradually establish enterprise groups that coordinate industrial production with agricultural production and animal husbandry.

In industry, we should also properly handle the relationship between light industry and heavy industry. The development of heavy industry is not only determined by Inner Mongolia's advantage in resources but also a need in the state's overall production arrangements. Judging from the short-term view, however, the difference in the proportion of the region's light industrial development and that of its heavy industrial development is still widening and overemphasis on heavy industry has become an ever conspicuous problem. In

1988, 1989, and 1990 alone, the proportion of the region's light industrial output value declined by 2.3 percent every year. A reduction in the proportion of light industry and its output value which is too low not only affects the supplies of essential products in the market and the revenues, but also hinders the development of agriculture and heavy industry. Therefore, while continuing to develop heavy industry during the Eighth Five-Year Plan, Inner Mongolia should actively develop light industry to gradually change its unbalanced development in light and heavy industries.

B. The relationship between the regional economy and the overall economy.

The relationship between the regional economy and the overall economy is, in essence, the relationship between local interests and overall interests. In socialist conditions, although the basic interests of the overall economy and the regional economy are identical, their development priorities and specific interests are different. It is this difference that constitutes the contradiction between the regional economy and the overall economy. Such a contradiction, if not properly resolved during economic operation, is harmful not only to the development of the overall economy but also to the development of the regional economy. The relationship between the regional economy and the overall economy is reflected in three aspects: the relationship between the strategy for overall economic development and the strategy for regional economic development; the relationship between state key projects and local industrial development; and the relationship between the production of important capital goods and the production of other goods.

The perception between the whole and the part is relative. Contacts between the state and the autonomous region; between the autonomous region and leagues or cities; and between leagues or cities and banners, counties, and districts; can be regarded as the affairs of the whole. Without the guarantee provided by the economic development of the whole, the economy of the part will lose its premise and without the content provided by the economy of the part, the economic development of the whole will have no foundation. Therefore, in formulating or enforcing the strategy of developing the economy of the part, it is imperative to regard the development strategy of the whole as a guide. Various small economic zones throughout the autonomous region should proceed from their own natural resources, their economic and technical levels, and their social and cultural foundations to do a good job in bringing their strong points into play. However, their development strategy should be in conformity with the policies of the state and the autonomous region on industries. By regarding the work of developing the economic results of the whole as a premise, these small zones should vigorously change their slackening economic contacts and the trend for their production structures to become identical. Our region's industrial development is closely related to the construction of state key projects. The practice conducted over the 40 years since the founding of the autonomous region has shown that state key projects have played an important role in the

region's economic development. Where the state key projects have taken root there will be obvious changes in the economy, technologies, and society as a whole. For example, Baotou was a small market town before the liberation, but has rapidly become a developing industrial city with state key industrial projects as a core thanks to the consecutive construction of state key projects during the First and Second Five-Year Plans, including the Baotou Iron and Steel Company, the Baotou No. 1 and No. 2 Machinery Plants, and the Baotou No. 1 and No. 2 Heat and Power Plants. Under similar circumstances, the construction of the region's industrial projects in leagues, cities, banners, and counties has also played a tremendous role in promoting their economic development. In dealing with the relation between state projects and local industrial development, we should attach importance to the whole situation; have the interest of the part be subordinate to the whole; actively support the construction of state key projects; and vigorously develop auxiliary projects and establish a service structure in neighboring areas in line with the need for support services before state key projects are put into production, during production, and for finished products.

There are long-standing price scissors of industrial and agricultural products in the price system of our country and is also irrational phenomenon in the price parities between the industrial products of important means of production [shang you chan pin 0006 3266 3934 0756] and the industrial products of others [xia you chan pin 0007 3266 3934 0756]. For example, the prices of important means of production are on the low side and those of other industrial products are on the high side. Most industrial products of our region are of important means of production and those of coastal and inland provinces are of other categories. This has objectively caused differential economic results between our region's industry and that of coastal provinces and also represents one of the reasons that have caused the low rate in industrial enterprises accumulation in our region. To deal with the irrational problem cropping up in the price parities of industrial products, on the one hand, we should approach the problem in line with the economic result as a whole, consciously abide by and protect the whole interest, and actively develop the industries of energy resources and raw materials according to the state industrial arrangements on the one hand; on the other hand, we should concentrate our efforts on accelerating the pace in processing natural resources, vigorously developing intensive processing industries with the important means of production as raw materials, and increase the additional value of products.

C. The relation between the production increased by relying on science and technology and that increased by adding input.

Production increased by relying on science and technology and that increased by adding input represent the two methods of industrial development. The utilization of these two methods not only involves the need and possibility of economic development as a whole but also has a direct bearing on economic results. During the

early period of liberation, the state made large-scale industrial investments in our region, which can be regarded as correct under current conditions and even in line with the view of politics and the economy. At present, state and local financial resources are not well-off; a considerable number of enterprises are outdated in equipment and backward in technology; some enterprises have failed to fully use their equipment for production, some of which are lying idle; and it is very difficult for many products to realize their final value. Owing to the aforementioned reasons, in future industrial development, even though we still have to build many new projects, it is more important for us to expand production by tapping internal potential because it is the main way for steady industrial development. To properly handle the relationship between tapping internal potential and starting new projects, we must uphold the following principles:

a. We should take economic efficiency as the central task, and properly handle the relationship between the industrial development rate and economic efficiency. Over the past 40 years, basically, our region has followed a path of paying attention to rate, and our economic efficiency in the industrial sector has been low. At present, our region's major target of economic efficiency in the industrial sector is lower than the national average. The low economic efficiency has affected not only the local financial and tax revenues, but also the self-development capacity of enterprises. It has also restricted the updating and upgrading of products and technological transformation. Practice showed that without efficiency, there can be no accumulation; and without accumulation, it is impossible for us to expand production. Efficiency is the life of enterprises. Comparing efficiency with rate, efficiency is the center and a home to return to. If economic efficiency is a negative number, the quicker the production rate is, the bigger the negative growth value will be. For example, the products of some enterprises are seriously overstocked. It is better for them to produce fewer products than to produce more. Certainly, an economy with efficiency but without rate is also not a developed economy. We should also strive for a production rate on the basis of paying attention to efficiency.

b. We should regard the full utilization of industrial fixed assets in reserve as a nucleus, and properly handle the relationship between the industrial fixed assets in reserve and the increased number of fixed assets. Under different conditions, the input in increasing fixed assets and the utilization of fixed assets in reserve will play a different role. If we simply pursue efficiency from the increased number of fixed assets, it is possible to bring about the problem of losing overall control and the overlapping of industrial projects. During the previous stage, some localities started small industrial products such as small woolen textile plants, small leather processing plants, and small dairy product plants because they neglected to fully use the industrial fixed assets in reserve, which resulted in the excessive processing

capacity of the textile, leather, and dairy industries, and a decline in the large-scale efficiency of the industrial sector. In the past, some comrades thought first of starting new projects and building new plants when they thought of developing industry. Some of these projects and new plants became the burden of enterprises after their completion. Through rectification, we have further recognized that only by regarding the full utilization of industrial fixed assets in reserve as the nucleus can we rationalize the organizational structure of industrial enterprises, promote socialized coordination in industry, and the enhancement of overall industrial investment efficiency. In local capital construction investment, we should uphold the principle of paying attention to equipment replacement and updating technology, and the principle of paying attention to rebuilding and expanding projects first and then building new projects, and advance steadily and realistically.

c. We should take the enhancement of the overall quality of industry as the central task and properly handle the relationship between input in hardware and software. Hardware and software are two major indispensable inputs in industrial development. Without the necessary software, hardware would be a heap of useless things. Particularly with the acute competition in the commodity economy and the daily shortening of period for technical updating, software will play a more important role in supporting hardware. At present our region's overall industrial quality remains fairly low. After our observation activities in Shandong, Tianjin, and other localities last year, we have deeply felt that Inner Mongolia's industry lags behind that of coastal and inland areas and the difference lies not only in hardware but, more importantly, in software, people's concepts, workers' quality, enterprises' common practice, and enterprise management. In particular, we have felt more and more deeply the shortage and the value of trained personnel. By trained personnel, we mean not only technical personnel but also managerial personnel; not only personnel for the domestic economy but also those for the international economy. In short, attaching importance to investment in software and the training of personnel is a matter of vital and lasting importance for raising the economic efficiency of the entire industry.

D. The relationship between the development of state industrial enterprises and the development of collective, township, and individual industrial enterprises

In terms of ownership of Inner Mongolia's industrial enterprises, state enterprises account for a fairly large proportion. In 1990, 73.3 percent of the region's total industrial output value was created by state enterprises and merely 25 percent was produced by collective, township, and individual enterprises. Compared with economically developed coastal areas, collective, township, and individual industrial enterprises still account for a very small proportion in the region. This is also a reason for the sluggish industrial development of the region. As has been proven in practice, Inner Mongolia

has great room for the development of collective, township, and individual industrial enterprises and, furthermore, it is very necessary for it to develop them. In summary, this is manifested in at least the following three aspects.

First, development of collective, township, and individual industrial enterprises may boost the enthusiasm of all quarters for accelerating the progress of industrialization. With a weak industrial foundation and vast rural and pastoral areas, Inner Mongolia faces a very arduous task in achieving industrialization. To fulfill this task, it will not work to rely only on state enterprises. Only when we greatly develop collective, township, and individual industrial enterprises and pool the efforts of the state, the collective, and the individual can we develop the strong points of the productive forces at different levels and accelerate the region's process of industrialization.

Second, development of collective, township, and individual industrial enterprises may make up for the shortage of industrial investment. Ours is a region financially subsidized by the state, and it is difficult to invest more funds in industrial construction in the near future. Relying on the funds chiefly accumulated by themselves, collective, township, and individual enterprises may gather a fairly large amount of funds to develop industry.

Third, development of collective, township, and individual enterprises may promote the rational flow and organization of the essential elements of production. With the development of the various ownership, large-scale flow and organization of the essential elements of production, such as funds, technology, and trained personnel, may emerge and with the development of township industrial enterprises in rural and pastoral areas, a large amount of advanced urban elements of production may be absorbed, production fields expanded, and industrial restructuring accelerated. This not only helps put human and material resources to the best use but also helps develop agriculture and animal husbandry from the status of natural economy to specialized cooperation characterized by the commodity economy.

Ours is a socialist country and what we develop is the planned commodity economy. Therefore, we should adhere to three principles when handling the relationship between state industry and collective, township, and individual industry. 1) Regarding the ownership structure, we should persistently take the state economy as the main body and allow the coexistence of other sectors of the economy. 2) Regarding overall management, we should strengthen the guiding role of industrial policy and achieve development in a planned and proportioned manner. 3) We should actively support and correctly guide collective, township, and individual industrial enterprises so that enterprises with various ownership can develop in line with the principle of equal competition.

E. The relationship between relying on one's own efforts and going up with others' assistance.

Self-reliance and arduous efforts are the foundation for developing the region's industry, and learning and importing from others and going up with others' assistance constitutes the wings to help the region's industry fly. It will be harmful to industrial development to dispense with either one of them. Ours is a region abundant in resources but the development and utilization of natural resources requires technology, trained personnel, and funds, which are exactly the elements of production we lack. When we are developing, others are also developing. If the region relies merely on its own exploration and creation to develop industry, its industrial production will lag increasingly farther behind that of advanced localities. However, relying on others' assistance to go up is also not desirable because the performance of the functions of any advanced things in different localities is ultimately decided by the ability of the localities to master and apply the things. We have to go up by ourselves after all. Only by relying on both their own efforts and the strong points of others can backward localities leap over the long period of exploration and promote the economy by leaps and bounds.

To properly handle the relationship between relying on one's own efforts and going up with others' assistance, we should adhere to two principles.

a. We should conduct study amid creation and create the new amid study. With a rather low level in industrial productive forces, Inner Mongolia has a very limited capacity for applying and transforming imported things. When learning from and importing things from advanced localities and developed countries, we should first proceed from the actual needs in the region's industrial development, apply the things in a scientific manner, create the new from them, and establish our own characteristics instead of mechanically copying anything imported. In addition, in the process of study and creation, we should also extensively study and master the knowledge in various fields to establish a high starting point for the imported achievements and technology and enhance their vitality. In short, the process to combine self-reliance and arduous efforts in pioneering new causes with the efforts to learn and import from others and go up by with assistance is a process for study amid creation and creation amid study to promote each other. The two processes should not be separated. Instead, they should be combined in line with actual needs and defects should be eliminated and advantages developed in a realistic manner.

b. We should dig canals to draw water and use the water to sail boats. To develop cooperation and imports, we should first strive to create a good investment climate. We should actively dig canals to draw water instead of waiting for water to dig canals. Compared with coastal and inland areas, Inner Mongolia's industrial investment climate is rather backward, especially in transportation, post, telecommunication, and other infrastructural facilities. Of course, this also includes the social environment, such as education, public health, and culture. We should take the initiative in attaching importance to the environment and link the work

in every field with the endeavor to improve the investment climate. As long as we have Chinese parasol trees, the phoenix will certainly come.

3.

Like elsewhere in the country, Inner Mongolia's industrial development still faces some difficulties and problems, such as sluggish sales, stockpiles of industrial products, enterprises' serious "debt chains," the downturn in economic efficiency, and the increase in the number of loss-making enterprises. To achieve sound development in the region's industry, we should emphasize the following when carrying out current work:

a. We should focus on improving the economic efficiency of industry. Poor economic efficiency in industry is the most serious problem in Inner Mongolia's current industrial development. According to calculations, the region's amount of profits and taxes created by 100 yuan of funds is 10 yuan less than the national average, its energy consumption for creating 10,000 yuan of industrial output value is two times the national average, and its productivity is merely 50 percent of the national average. We should consciously change the guiding ideology of economic development from the type of speed to that of economic results. The adequate development of speed is necessary and by no means should we seek speed without economic results. In appraising the production of enterprises, we should regard the target of economic results as a comprehensive one. In formulating contracting systems for enterprises, we should regard the target of economic results as the major content of the targets system. In grasping industrial production, we should regard high economic results as the center of work.

b. We should find our foothold in bringing the enthusiasm of enterprises into play. Industrial enterprises are productive units and also the social organizations for human beings. The enthusiasm of human beings represents a most important factor that is affecting the development of enterprises. We should further deepen enterprise reform; deal with the problems cropping up in systems with regard to the vitality of enterprises and the problems cropping up in mechanisms with regard to the motivation of enterprise development; and should steadily encourage enterprises to enhance their sense of self improvement and emulation, to actively do a good job in carrying out reorganization and renovation, and to seek existence among difficulties and development amid competition.

c. We should put the starting point of expanding markets and fixing production quota in line with sales. The current planned commodity economy is different from the totally planned one in the past and the law of value is playing an extremely important role in the economic operation as a whole. Markets have become the key factor in deciding the fate of enterprises. To seek existence and development, enterprises must engage in market research and fix their production quota in line with sales. The fundamental reason for the current overstock of some industrial products is that products cannot meet the demands of the market. The direct

reason for the failure of some industrial products to meet the demands of markets is that enterprise production has been divorced from sales and enterprises have not engaged in sufficient market research. Therefore, to get rid of their difficult position, enterprises must orient their ideas and the business style of the product economy to regarding markets as a guide, having enterprises follow the demands of markets, and having production follow market sales.

d. We should put the turning point on readjusting the industrial structure. The current irrational industrial structure is still restricting the increase of the region's industrial economic results as a whole. The trend in which industrial enterprises are trying to have their production structure become uniform represents the insufficient equipment utilization of various industries and trades in some localities and also represents the source in which enterprises will contend for raw materials and fight for markets. The flabbiness of the industrial organizational structure constitutes one of the important reasons for the low level of industrial standardization and economic results and the weak competitive capability of enterprises. The crucial reason for the relatively low economic results of industrial enterprises lies in the rudimentary style of the product mix. Therefore, to increase its industrial economic results as a whole, our region must regard readjusting the industrial structure as a breakthrough.

e. We should put the developing point on having science and technology make industry flourish. Our region has many factors that have restricted its economic development and particularly its industrial development, of which the most serious is the backward situation in science and technology. As compared with those made more than 40 years ago, although our region has achieved tremendous development and progress in handicraft operation, cottage production, and technical application, and its starting point in these fields is low after all, its foundation in these fields is weak, its development time in these fields is short, and its scientific and technological levels are still backward. We should further and deeply publicize and implement the thinking of Comrade Xiaoping with regard to taking science and technology as the first productive force and should be determined to deal with the backward problems of science and technology. In conducting modernized education among staff members and workers, we should emphatically give them technical education. In upgrading the cohesiveness of staff members and workers, we should put our work emphasis on upgrading their technical quality. In increasing the additional value of products, we should put our work emphasis on increasing the technical content of products. In expanding the introduction from foreign countries, we should pay attention to technological imports. In conducting scientific and technological research, we should put our work emphasis on carrying out technical development, popularization, and application.

Northeast Region

He Zhukang Interviewed on Agricultural, Rural Work

Part Three of Interview

SK3011095891 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 29 Nov 91

[Part three of interview on agricultural and rural work with He Zhukang, Jilin Provincial CPC Committee secretary; by station reporters (Zhao Fengpei) and (Zhang Youling). Part one of the interview, "He Zhukang on Rural Commodity Development," appeared on page 61 of the 2 December CHINA Daily Report; part two, "He Zhukang on Rural Economic Development," appeared on page 60 of the 2 December CHINA Daily Report]

[Text] In an interview with the station reporters on 14 November, Comrade He Zhukang stressed the necessity to strengthen the education on socialist ideology and to firmly occupy the rural front.

He said: The basic point of rural work is to grasp the work toward the peasants. We should persistently educate by giving positive examples as a key link, give priority to solving the practical problems that the peasants generally pay attention to, guide them to change old concepts and foster new ones, help them adapt to the situation of developing the commodity economy, and strive to greatly develop the rural socialist commodity economy. We should vigorously advocate new socialist moral integrity and new socialist practice; advocate arduous struggle; and oppose various wasteful, extravagant, feudal, and superstitious activities and various kinds of unhealthy trends. Some localities have the unhealthy practices of eating and drinking extravagantly, gambling, establishing personnel relations, and giving lavish wedding and funeral ceremonies. The more we pay attention to this, the more serious these unhealthy practices become. An individual village even annually appropriates more than 50,000 yuan of money for receptions. Seventy-two young people of a village were married in two years. They spent more than 700,000 yuan in their wedding ceremonies, and each averaged more than 10,000 yuan.

Comrade He Zhukang pointed out: In reality, [words indistinct] is reflected in the practical life. This affects the peasants' material input for agriculture as well as the peasants' spiritual input to socialist modernization. It is difficult for the peasants economically to bear this. Simultaneously, they are also unwilling to do so. However, they will find it difficult to free themselves from the prevailing customs. In reality, transforming prevailing customs is a deep revolution and a method to create a social practice. The vast number of cadres, party members, and Communist Youth League members should bravely set an example for the masses, bravely struggle against various negative and unhealthy phenomena cropping up in the rural areas, and positively guide the peasants to use their limited funds and surplus time to expand production and to learn scientific and cultural knowledge.

Regarding management of religious activities, Comrade He Zhukang said: We should strengthen the management of religious work according to party policies. The religious activities in violation of law and current policies should be resolutely banned.

Regarding the construction of rural grass-roots party organizations, Comrade He Zhukang said: We should strengthen the building of the rural grass-roots party organizations, with party branches as their nucleus, to comprehensively improve the rural work, realistically and firmly attend to it, and ensure achievements in this regard. Simultaneously, we should regard the development and expansion of the collective economy as a major task and requirement for building grass-roots party organizations, and ensure the implementation of the task. We should concentrate efforts on building the grass-roots party organizations that are in the state of paralysis and semi-paralysis, and also pay attention to ceaselessly improving the work level of party organizations, give full scope to the party branches' role as a leading core and the party members' exemplary vanguard role, and comprehensively upgrade the grass-roots party organizations' fighting forces.

Comrade He Zhukang also introduced to the station reporters the experiences in bringing into play its role as a grass-roots core gained by the party branch of (Nanshan) village, (Ershijiazhi) town, Gongzhuling.

He urged that all localities to sum up and popularize their experiences in this regard.

He also affirmed the Liuhe County party committee's practice of transferring young and middle-aged cadres to grass-roots units.

He said: There are many advantages in transferring outstanding young and middle-aged cadres to the grass roots. This practice must be continued for a long period of time. The cadres who have not tempered themselves at the grass roots must not be (?promoted).

Regarding the issue of how to bring into play the grass-roots party organizations' role as a fighting force and the party members' exemplary vanguard role, Comrade He Zhukang said: Under the new historical period, we have set new higher demands on the grass-roots party organizations and the party members in displaying their roles. We should do concrete deeds for the people and be solicitous for the people's welfare. However, we must always not stay at this level but should set higher requirements. We should not only help the masses solve practical problems but also help them grasp their ability in seeking wealth. We should guide the masses in developing the economy and in taking the socialist road of seeking common wealth.

Part Four of Interview

SK0112065791 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 30 Nov 91

[Text] Recently, while conducting investigations in rural areas, Comrade He Zhukang found that the pace of developing commodity economy and the degree of becoming prosperous vary greatly from village to village and from peasant household to peasant household. He also found that the development of commodity economy has been uneven in various localities. After analyzing the reasons, he maintained that priority should be given to improving the quality of rural cadres and peasants, the quality of rural youths in particular. On how to improve the quality, Comrade He Zhukang told our reporters about the situation in Dongfeng and Shuangliao. (Xiaosiping) Township, Dongfeng County has conducted technical and cultural training among most young and middle-aged laborers and then issued green certificates to those who passed both a written examination and a practical ability test. This method has been well received by peasants. The rural vocational and technical education center of (Wopu) town, Shuangliao County has offered 11 specialties for training of the agricultural population level by level, and many graduates of this center have become a main force of production and backbone of technology. These methods should be conscientiously summarized and popularized.

In combination with these examples, Comrade He Zhukang stressed: In improving peasants' quality, we should not strive to improve only their political and ideological awareness, but also their cultural, scientific, and technological awareness so that they can have confidence socialism while mastering skills to become prosperous. For cadres and party members, however, the demands should be still higher. Cadres and party members should take the lead in study and should [words indistinct] so that they can guide the vast number of peasants to develop commodity production in line with market demands and make them prosperous at the same time.

Comrade He Zhukang said: To meet the demands of new circumstances and new tasks, cadres at all levels, leading cadres in particular, should change their forms of thinking and leadership, change their method and work style, improve their art of leadership, and comprehensively improve the level of rural work. Also, cadres should be diligent in thought, be brave in blazing new trails, focus on mobilizing and depending on the masses, and be good at using exemplary cases to bring along all the people in order to give better play to the exemplary and guiding role of advanced cases and experiences.

With regard to improvement of administrative honesty, Comrade He Zhukang said: It is not enough to stress administrative honesty and diligence. We should also stress the issue of simplifying administration. The lower the level of an organization, the simpler its setup should be. Many administrative organizations may be changed to economic entities and service organizations. (Hengdaohe) Township, Dongfeng County has changed

its administrative organizations to service entities; and cadres there have changed from each undertaking the work of a village to each undertaking the work of an industry of the county. Such good experiences should be summarized constantly and be perfected gradually through practice.

Comrade He Zhukang pointed out in conclusion: The party's tasks and priorities in rural areas have already been defined, and the basic policies have also been adopted accordingly. Now, the key lies in implementation in line with reality. We should vigorously guard against formalism, [words indistinct], oppose telling lies, oppose playing tricks, and seek truth from facts. This is not a slogan but an important principle and requirement and thus should be truly put into action.

He Zhukang Inspects Party Building in Rural Areas

SK0512024791 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 3 Dec 91

[Text] Over the past few years, our province paid attention to the building of leading bodies of rural grass-roots party organizations, the integration of party building with economic construction, and the method of using typical examples to lead the work, and achieved fairly good results. Leaders of the provincial party committee and the provincial government have attached great importance to this work. Over the past few years, the provincial authorities held six meetings on rural party building, including the meeting to commend advanced and outstanding party organizations, and the meeting on grass-roots party organizational building work in the urban and rural areas across the province. He Zhukang, secretary of the provincial party committee; and Du Qinglin, deputy secretary of the provincial party committee, went to villages in more than 10 counties and cities—including Daan, Lishu, and Yushu—to conduct investigation on certain subjects and to study rural party building work.

The provincial authorities also firmly grasped the key link of county party committees and gradually formed a pattern on which the provincial party committee began the work first, and then each level grasped the work of the next level until the party building work of the rural party branches was grasped. Whether the work of one township or village can be pushed forward depends on the selection and promotion of relevant leaders. The provincial authorities once held a training class for township and town party committee secretaries across the province; all counties and cities also considered the selection, training, and management of township party branch secretaries as a major matter. Jiutai's experience of placing village party branch secretaries under the dual management of cities and townships has been popularized in some counties and cities in the province. It also set up a section to manage village party branch secretaries in the Organization Department of the city party committee to take charge of the whole city's selection,

training, and management of village leaders. At present, among the leading bodies of townships and villages across the province, those who know economics and management have increased in number noticeably. In education for party members, we have regarded the enhancement of their sense of the commodity economy and their skills as an important aspect of improving their quality. Over the past few years, the provincial authorities entrusted the provincial Agricultural Cadre Management Institute to hold training class for township and town cadres particularly to study agricultural economic management, rural commodity economy, and township enterprise management, and successively trained 3,200 agricultural cadres. Since the end of last year, our province has extensively conducted emulation drives on developing commodity productive forces and exerting efforts to realize common prosperity among all rural party cadres. All localities have also led party members to formulate regulations, establish ties with other people, teach technology, spread information and enrich the substance of the party life, and succeeded in greatly strengthening the cohesion and centripetal force of party branches. Many party-member peasants have become full-time village cadres not holding concurrent posts. In the rural party building work, our province has also paid attention to applying the method of using typical examples to lead the work. Over the last few years, organization departments at all levels have discovered a group of typical persons with the characteristics of the times; who were firm in socialism; capable of making the country rich and the people prosperous; had education; and knew science and how to manage the commodity economy well. Some typical persons such as (Lu Zhimin), who did pioneering work with painstaking efforts and helped the masses to become rich, and (Feng Wuzhou), who firmly kept the communist objective in mind and brought benefits to the masses with one heart and one mind, have manifested from different angles the steadfastness and lofty values of Communist Party members and fostered brilliant examples for the broad masses of party members and the people. Now our province's rural grass-roots party organizations and the building of ranks of party members have been further strengthened. Compared now with 1987, the number of advanced grass-roots party organizations in the rural areas of our province has increased from 30 percent to 40 percent, and the number of commended outstanding party members has increased from 12 percent to 20 percent.

Chairs Meeting on Plenum Guidelines

*SK0612024791 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 5 Dec 91*

[Text] The provincial party committee held a Standing Committee meeting on 4 December to study the specific measures for implementing the guidelines of the eighth plenary session of 13th CPC Central Committee. He Zhukang, secretary of the provincial party committee, presided over the meeting. Leading comrades of the provincial advisory commission, people's congress, and government, and

responsible persons of the pertinent departments directly under the province, attended as observers.

It was noted at the meeting: With the guidance of the line laid down since the third plenary session of the 11th Central Committee, our province made tremendous achievements in rural reform and construction and effected a tremendous change in social and economic outlook in the 1980's. The progress that served as a breakthrough in the rural economy has created extremely favorable conditions for the province to carry out the Eighth Five-Year Plan and the 10-Year Program and attain the second-step strategic objective. However, we should note that there are still many problems that require urgent solutions. The major ones are the weak foundation for agriculture, which still cannot withstand the attack of serious natural disasters; the unbalanced rural production structure and the irrational geographical layout of crops; the rather low proportions of animal husbandry in farming areas and of township enterprises and diverse production in the income of the rural economy; the impeded circulation of farm products and [words indistinct]; and the low level of the comprehensive efficiency in the agricultural economy of the province.

It was noted at the meeting: Jilin's rural areas are currently in an important period for transformation from traditional agriculture to modern agriculture and from the product economy to a large-scale commodity economy. At this crucial moment, the Eighth Plenary Session of the 13th CPC Central Committee approved a decision on further strengthening agriculture and rural work, thus clarifying the guiding principle for the development for the next 10 years. Based on the guidelines of the plenary session and the specific conditions of Jilin, we should, beginning next year, greatly strengthen the fundamental position of agriculture, persistently emphasize economic efficiency when carrying out economic work, further adjust the rural production structure, gradually increase the proportions of the secondary and tertiary industries, and greatly develop township enterprises focusing on the processing of farm and sideline products so that township enterprises will gradually become the pillar of small and medium-sized industrial enterprises. We should continue to develop large-scale farmland water conservancy projects and raise their levels and comprehensive efficiency. We should continue to intensify the work to develop agriculture through the application of science and technology and the promotion of education, disseminate and apply applicable technology, and further increase the utilization of agricultural resources and means of agricultural production. We should strive to develop and expand the collective economy and consolidate its dominant position. In operation, we should change the lopsided emphasis on production into equal emphasis on production and circulation of goods. We should continue to deepen rural reform and achieve success in establishing at various levels the system for socialized service for agriculture. Rural supply and marketing cooperatives should abandon their current systems, transform their functions, and establish new operation mechanism to

meet production requirements and goals. We should continue to establish and develop specialized markets for farm and sideline products to promote the transformation and circulation of products. Meanwhile, we should continue to open up the world market and develop the export-oriented economy. We should gradually establish the monetary organizations of peasants to continuously broaden the channels for the supply of production funds.

It was emphasized at the meeting: Among the multitude of rural work, socialist education is the central link. We should give different guidance according to different local conditions and conduct the education in a thorough and persistent manner. We should further emancipate our minds, change our concepts and leadership style, lead peasants gradually to the sphere of the commodity economy, and quickly bring Jilin's agricultural production on the track of smooth progress focusing on efficiency.

Relays Jiang Zemin's Speech

*SK0612070491 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 5 Dec 91*

[Text] At a conference of responsible persons of the various departments directly under the province and various cities, prefectures, and the autonomous prefecture, which was held this morning, He Zhukang, secretary of the provincial party committee, relayed the important speech given by General Secretary Jiang Zemin at the eighth plenary session of the 13th Central Committee.

Governor Wang Zhongyu also spoke. He emphasized: After the conference, the various departments directly under the province and the various cities, prefectures, and the autonomous prefecture should devote some time to relay and study well the guidelines of the eighth plenary session of the 13th Central Committee. The provincial party committee will hold the eighth session of its fifth committee in mid-December to study the specific work for implementing the guidelines of the eighth plenary session of the 13th Central Committee. Based on Jilin's specific conditions, all localities and the various departments directly under the province should make active efforts in the study and other work.

Quan Shuren Inspects Enterprises in Yingkou

*SK0612090191 Shenyang LIAONING RIBAO
in Chinese 15 Oct 91 p 1*

[Excerpts] To implement the guidelines of the central work conference, Quan Shuren, secretary of the provincial party committee, and Wen Shizhen, provincial vice governor, inspected improvements in large and medium-sized state enterprises in Yingkou from 11-13 October. Quan Shuren pointed out: Now we should concentrate efforts on implementing the guidelines of the central work conference. The vast number of cadres should lift their spirit, pay close attention to enterprise management, improve the contracted managerial responsibility

system, focus on raising economic efficiency, and improve large and medium-sized enterprises.

During the inspection tour in Yingkou, Quan Shuren and Wen Shizhen visited the Yingkou Paper Mill, the Yingkou General Washing Machine Plant, and the Yingkou General Duplicating Machine Plant in the company of Guo Jun, secretary of the Yingkou party committee, and Wang Youwei, acting mayor of the city. They explained the guidelines of the central work conference to cadres, pointed out the problems of enterprise work, and also gave them encouragement. [passage omitted]

In view of the conspicuous problems of the plants, Quan Shuren pointed out: The key to whether enterprises can develop lies in the mental outlook of their leading bodies. The low spirit of staff members and workers, in my opinion, has resulted from the low spirit of leading bodies. Therefore, leading bodies are the key for enterprises to put an end to their deficits. Leading bodies should summarize their experiences very successfully. We should note that the current difficulties are ones in the process of advance. The more difficulties we have, the more we can test our enterprising spirit. He said: To extricate ourselves from the current difficulties, we should, first, raise our product quality and standing, develop new products, meet market demands, and increase our competitive edge. Enterprises should firmly embrace the idea of "developing enterprises through science and technology." They should rely on scientific and technological advances to carry out technical transformation successfully and limit or stop the production of unsalable products. Second, we should pay close attention to enterprise management, reduce material consumption, and raise productivity. We should straighten out labor discipline, streamline personnel, and exercise strict on-the-spot management. We should enforce the responsibility system and closely link product quality, cost reduction, and labor efficiency to the distribution of interests. Third, regarding their marketing work, enterprises should intensify the study of the strategy for the sale of their products and improve the market information system, sales networks, marketing personnel, means of marketing, and after-sale service. Quan Shuren pointed out: To achieve success in these aspects, we should make continuous efforts to improve the enterprise contracted managerial responsibility system. When responsibilities are not clearly defined and assigned, power is not delegated, and interests are not distributed, enterprises will not be operated successfully. Contracts should be signed at every level for reaching the "six standards" for enterprises and the contracts should be all-embracing. We should not engage in myopic behaviors, still less practice fraud in reporting to the state the fulfillment of contracted quotas and the amounts of profits for the purpose of sharing more profits and gaining more bonuses. [passage omitted]

Individual Peddlers Play 'Important Role'*OW0512113991 Beijing XINHUA in English
0846 GMT 5 Dec 91*

[Text] Shenyang, December 5 (XINHUA)—Individual peddlars are playing an important role in promoting the rural economy and helping with commodity circulation in northeast China's Liaoning Province.

In the first nine months of this year, the business volume of individual peddlars reached 6.42 billion yuan, an 11.8 percent increase over the same period of 1990.

By the end of 1990, the number of individual peddlars holding business licenses of the provincial Industrial, Commercial and Taxation Departments reached 290,000, up 12 percent over 1980. They employ over 310,000 laborers, registering a 15 percent increase over 1980. Their business volume reached 7.9 billion yuan last year, up 58 percent compared with 1980.

Individual peddlars mainly engaged in the sales of staple and non-staple food, daily necessities, books and the purchase of waste materials.

Their sales volume of fresh vegetables, pork, eggs, and aquatic products accounts for between 32.5 percent and 76 percent of the provincial total.

However, some problems, such as illegal management and evasion of taxes, exist among individual peddlars. Measures are being taken to overcome these problems.

Northwest Region**Gansu Discounts Rumors of Grain, Oil Shortage***HK0612085791 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 4 Dec 91*

[Text] Recently, some Lanzhou residents lined in a panic to purchase flour. For this reason, this station reporter interviewed comrades in charge of the provincial and city Grain and Commodity Price Departments. Persons in charge of these departments said that grain coupons and certificates of unused portions of grain and edible oil will remain valid and the broad masses should not believe rumors so readily.

The reporter asked: Is the rumor true that prices of grain supplied on ration in cities and towns will rise again? Persons in charge of these departments said: Reform of grain prices will affect tens of thousands of households and are bound up with the masses' immediate interests. Therefore, the state takes a very cautious and careful attitude. Prices of rationed grain will not rise at the present time.

The reporter asked: Can residents purchase grain and oil with their grain and oil coupons and with their certificates indicating their unused portions of grain and oil?

Persons in charge of these departments replied: The policy of unused grain and oil portions remains unchanged for residents' rationed grain and oil. Our province has enough grain and oil in storage. However, it is difficult to freely supply them owing to a limited processing capability. In order to ensure the normal supply of grain and oil for resident households, each household is allowed to purchase a month's quantity of unused rationed grain in addition to a month's rationed grain. Grain varieties include flour and rice. There is no limit to oil, which residents can purchase without coupons required.

These responsible persons added: Provincial and city Grain Departments call on vast numbers of staff and workers of Grain Departments to propagate and explain the rationale; to ensure the normal supply of grain and oil; and to deal hard blows to lawbreakers who invent rumors to deceive the masses, engage in profiteering, or store up supplies for later sales at higher prices. Moreover, we welcome the vast numbers of consumers to supervise Grain Departments and to report malpractice by individual personnel who collaborate with others within his department or outside or breaks the law or discipline, so that they will be investigated and sternly punished.

Xinjiang Official Views Plenum Guidelines*OW0612043691 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 4 Dec 91*

[From the "Xinjiang News" program]

[Text] At the rural area socialist ideological education work cadres mobilization meeting, attended by the second group of personnel from the autonomous regional organs, Janabil, deputy secretary of the Xinjiang autonomous regional party committee, called for all localities to make earnestly learning, propagating, and implementing the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee the central task of rural area socialist ideological education. On the central task of education, Janabil pointed out that rural area socialist ideological education work groups must earnestly learn the communique of the plenary session, the important speech made by General Secretary Jiang Zemin, and the CPC Central Committee's decision on further strengthening agricultural and rural area works. To thoroughly comprehend the true spirit of the plenum's documents, we must: 1) Fully understand the importance of agricultural and rural area work; 2) Further clarify the direction and emphasis of deepened rural area reform; 3) Continuously enhance basic agricultural construction, establish the concept of agriculture of scale, further restructure industrial mix, and constantly upgrade the comprehensive productivity of agriculture; 4) Strengthen rural areas' spiritual civilization construc-

tion and legal system construction, and do a good job in rural socialist ideological education; 5) Strengthen the party's leadership over rural area work—party committees at all levels must give priority to rural area work, and they must analyze and solve the acute problems in rural reform and construction work in a timely manner.

Janabil pointed out: Learning the guidelines of the Eighth Plenum of the 13th CPC Central Committee must closely relate to reality. Through study of the guidelines and discussions, we must further enhance the conviction of peasants and herdsmen of all nationalities in building socialism with Chinese characteristics; maintain a clear direction in agricultural development and further deepen reform; and establish a set of truly effective measures to complete the tasks of the next 10-Year Plan and the Eighth Five-Year Plan; and to realize the goal of creating wealth

for the people, villages, and counties, as well as the development of county level economy.

Janabil pointed out that the Eighth Plenary Session of the 13th CPC Central Committee is a very important meeting that signified that China's agricultural and rural work will enter a new phase. Party committees at all levels and socialist ideological education work groups must make learning the guidelines of the plenary session the foremost task for their current work. They must mobilize the vast number of cadres and peasants and herdsmen of all nationalities to strive hard toward achieving China's second-step strategic goal in socialist modernization construction through learning, propagating, and implementing the plenary session's guidelines. [Video shows Janabil speaking on a stage; there is a 15-second break in the audio portion of the program]

Independence 'Elements' 'Act of Betrayal' Viewed
HK0512102091 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 47, 25 Nov 91 p 24

[By Zhang Jinfa (1728 2516 5672): "'Taiwan Independence' Elements Go Against Trend of Times"]

[Text] Recently, a small handful of "Taiwan independence" elements made an incorrect assessment of the situation and openly called for the establishment of a "sovereign, independent, and free Republic of Taiwan." And the Democratic Progressive Party [DPP] responded by incorporating the "Taiwan independence provision" into its party platform, calling itself a "Taiwan independence party." As its determination to jeopardize the nation and split the country manifested itself before the world, the actions of "Taiwan independence" elements invited unanimous condemnations from Chinese both at home and abroad.

That Taiwan has historically been a part of Chinese is an indisputable fact, whether dating back to ancient history or looking at more recent times. This is also universally recognized by the international community. By using the so-called "self-determination by residents" as its banner, the "Taiwan independence" elements sow confusion among the people and attempt to wrest Taiwan away from the great family of the motherland. This is extremely absurd.

It is common knowledge that Taiwan is an isolated island with few resources. It cannot ignore the mainland if it is to achieve further economic growth. The mainland's abundant resources, huge array of commodities, attractive investment climate, and vast and cheap labor market are extremely beneficial to Taiwan's development. In particular, in light of the prevailing protectionism in world trade, and intense competition in the international markets, strengthening ties between Taiwan and the mainland is advantageous to both sides. The rampancy of "Taiwan independence" activities will undoubtedly cast a dark shadow over the development of cross-strait relations.

Given the complicated, unpredictable, and precarious international situation, Taiwan will fall into greater isolation, lesser security, and fewer guarantees if it were to lose the powerful backing offered by the motherland. The limitations and uniqueness presented by the geographical location, economic structure, and political status of Taiwan make it basically impossible for Taiwan to achieve genuine independence. Instead, it will only end up a vassal state of other countries while the 20 million Taiwan compatriots in

the island would find it hard to escape the cruel fate of foreign aggression and domination.

In effect, the "Taiwan independence" elements' words and actions are intended to sever the flesh-and-blood ties linking the 20 million Taiwan compatriots with the 1.1 billion people on the mainland, causing them enormous spiritual and emotional pain and suffering, and creating new obstacles to existing cross-strait exchanges and contacts.

The "Taiwan independence" activities also have a very big impact on the lives of the people on the island. By relentlessly instigating incidents, the "Taiwan independence" elements not only shatter the calm and stable lives of the island's people, causing them unending worry over Taiwan's future and prospects, but they also disrupt the island's economic discipline as the island's stock prices plummet. The dramatic fall in stock prices and turmoil in the stock exchange have already resulted in huge losses and had a poor psychological effect on investors. There is no doubt that the "Taiwan independence" elements' attempts to split the motherland pose a serious threat to the survival, rights, and interests of the 20 million compatriots on the island.

The incorporation of the "Taiwan independence provision" into the DPP's party platform was definitely not motivated by differing political views between the opposition and the ruling parties, nor was it an ordinary case of factional struggles within a party. It is an act of betrayal of the national interest in favor of one's own private pursuits. The efforts of "Taiwan independence" elements within the DPP to split the country and jeopardize national interests cannot be tolerated by any political party, organization, and citizen intent on upholding national sovereignty as well as the national interests of a country.

In particular, it should be pointed out that the increasing contacts between people on both sides of the Strait and the expanding areas of exchanges in recent years have promoted among the mainland and Taiwan compatriots a consensus and conviction for a peaceful reunification of the country. However, the DPP and the "Taiwan independence" elements have chosen to defy this historical trend openly, ignore the great cause of the Chinese nation, and attempt to use the interests of the island's 20 million compatriots as its stake for raking in some benefits in the political stage. This is bound to fail. The Chinese nation possesses a powerful cohesiveness. Looking at the history of China, anyone seeking to split the country and betray the nation inevitably came to a miserable end. If the "Taiwan independence" elements obstinately cling to their ways, they will also suffer the same consequences.

DPP May Mortgage Headquarters for Election Funds

OW0612102291 Taipei Voice of Free China
in English 0200 GMT 6 Dec 91

[From the "News and Commentary" program]

[Text] Opposition Democratic Progressive Party, or DPP, chairman Hsu Hsin-liang said on Wednesday he might have to use the party headquarters as collateral for loan to finance year-end election campaign activities. He said the DPP Central Standing Committee had authorized him to borrow the money if the party leadership cannot collect 20 million new Taiwan dollars in campaign funds before 21 December. The DPP Central Standing Committee adopted a resolution on Wednesday urging city and provincial assembly persons and party officials to help raise the money.

Further on Election Funding

HK0512113191 Hong Kong AFP in English 1057 GMT
5 Dec 91

[Text] Taipei, Dec 5 (AFP)—Taiwan's financially embarrassed main opposition party has decided to mortgage its Taipei headquarters to raise funds for this month's crucial elections, party officials said Thursday.

Hsu Hsin-liang, chairman of the Democratic Progressive Party (DPP), said the party had taken out a 20 million [new Taiwan] dollar (785,000 U.S.) mortgage on the building.

The money will be used for publicity purposes and to finance its candidates for the December 21 elections to the National Assembly, the country's electoral college, Hsu said.

Former DPP chairman, businessman Huang Hsin-chieh is the guarantor for the mortgage, a party official said.

Huang told AFP he now considered himself a senior adviser to the DPP. "If the party cannot repay the loan, I guess I have to buy the headquarters for my own use."

Another opposition party, the Chinese Socialist Democratic Party (CSDP) established in March this year, is in an even worse financial plight.

"We have no money at all to help our candidates campaign in the December elections," party spokesman Shang Mei-chieh said. He said the party had asked 500 local companies for financial contributions.

The ruling Kuomintang (KMT), the richest party in Taiwan, which also found itself low on funds, appealed to its membership for funds and received almost 100 million [new] Taiwan dollars (3.9 million U.S.) by return of post.

The KMT has fielded 311 candidates for the 325 National Assembly seats, while the DPP has put up 145 candidates and the CSDP 48.

Meanwhile, the Central Election Commission has ordered the DPP to cut the opening and closing segments

of its campaign video because it includes a call for the establishment of a Republic of Taiwan "which is against the law here," a commission official said.

DPP officials have agreed to remove the offending segments and replace them with an appeal for funds.

MAC Chairman Denounces Mainland 'Three Links'

OW0612095491 Taipei CNA in English 0831 GMT
6 Dec 91

[Text] Taipei, Dec. 6 (CNA)—Communist China's so-called "three links" policy is intended to allow Communist Chinese to enter Taiwan as part of Peking maneuvers against the Republic of China, said Huang Kun-hui, Mainland Affairs Council (MAC) chairman, Thursday.

Huang said that Taiwan affairs officials in Fujian Province had proposed that mainland "officials" should be banned from visiting Taiwan without prior permission, exchange programs should be controlled by the authorities, and Taiwan media should not be allowed to set up branch offices on the mainland.

These "guidelines" clearly show that Peking intends to take firm control of exchanges with Taiwan so that the exchanges will serve its political ends, Huang said.

Taipei has allowed indirect commercial and postal exchanges with the mainland, but is refraining from opening transportation links, thus frustrating Peking's attempts to achieve what it calls "the three links with Taiwan."

Minister on 'Retgression' of Japan Trade Ties

OW0612094591 Taipei CNA in English 0828 GMT
6 Dec 91

[Text] Taipei, Dec. 6 (CNA)—Trade and economic relations between the Republic of China [ROC] and Japan showed signs of retgression this year, Economic Affairs Minister Hsiao Wan-chang [Vincent Siew] warned Thursday.

Addressing an annual Sino-Japanese economic conference here, Hsiao said Japan has lost to the United States its place as Taiwan's largest foreign investor and the number of Sino-Japanese technical cooperative projects is declining.

Cumulative Japanese investments in Taiwan totaled U.S.\$3.4 billion between 1980 and 1990, making Japan Taipei's largest foreign investor, Hsiao reported.

In the first 10 months of this year, Hsiao said, Japanese investors pumped U.S.\$450 million into Taiwan, less than America's U.S.\$560 million.

Japan used to be the ROC's principal supplier of technical know-how. Seventy percent of Taiwan's foreign technical cooperative projects were with Japanese companies before 1979. Japan's share, however, declined to 56 percent between 1980 and 1990, and dropped further to 46 percent in the January-October period of this year.

On the other hand, Hsiao lamented, the built-in trade imbalance between the two countries has worsened further. Taiwan incurred a trade deficit of U.S.\$8.7 billion with Japan in the first 11 months of the year, and the figure is expected to hit an all-time high of U.S.\$9.5 billion by year's end.

"All these figures point to a deterioration in trade and economic relations between our two countries," the minister told participants in the on-going 19th East Asia Economic Conference at the Taipei International Convention Center.

Hsiao urged Japanese industrialists to help halt this unfavorable trend and to sincerely assist Taiwan to upgrade the level of technology.

The minister also advised local companies to increase investments in research and development, improve management and reduce labor turnover rates in order to attract Japanese investments.

Quoting Japanese industrial leaders, Hsiao said, low R and D investments and high personnel turnover have in the past discouraged leading Japanese manufacturers from transferring sophisticated technologies to Taiwan companies.

Speaking on the same occasion, Shoichi Akazawa, head of the Japanese delegation to the annual conference, announced that Japan has set up a permanent organization to promote technological exchanges between the two countries.

Although the organization is private in nature, Akazawa said, the Japanese Government has helped organize it.

The non-governmental organization, comprising hundreds of small- and medium-sized Japanese firms, will help mediate joint-venture or technical cooperative projects between the two countries and will track progress in joint programs to help correct imbalances in bilateral trade, Akazawa explained.

As the Sino-Japanese trade imbalance is structural in nature, Akazawa said the problem can not be resolved overnight. Taiwan and Japan must work together to address the issue, he added.

The two-day conference will close Friday.

Economic, Food Aid Considered for Russia, Ukraine

OW0612014291 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 4 Dec 91

[Report by (Chuang Kui-hsun); from the "National News Hookup" program]

[Text] A Foreign Ministry official indicated that Taiwan's working group for Soviet affairs will meet again soon to discuss the issue of food aid for the Soviet Union. Moreover, with regard to reports on Ukrainian

officials expressing the wish that Taiwan provide economic assistance, the official concerned argued that a more feasible way is to follow the precedent of the three Baltic states and include the Ukraine in the International Economic Cooperation Fund.

The following is a report by (Chuang Kui-hsun):

[Begin (Chuang) recording] Of the 15 existing republics in the Soviet Union, Taiwan has decided to accord priority to the establishment of ties with Russia, Byelorussia, and Ukraine. Under this premise, the previous goal of hoping to negotiate with the central government has now been changed somewhat. In particular, after the August coup, the central government seems to exist only in name. As a result, Foreign Ministry units have begun to strengthen ties with the more influential and larger republic of Russia. In fact, Russia was one of the nations which authorities in Taiwan had already approved for opening up ties. The main target which Foreign Ministry units have in mind for food aid is also Russia, after which they hope to expand contacts with other regions by relying on Russia's influence over the other republics. The Ukraine is one of the republics with which relations resemble those of Russia.

The food aid program is expected to be discussed at the coming meeting of the working group for Soviet affairs. The official indicated that once the aid program is approved, the issue of transportation can be easily resolved. For example, having the Russian side send vessels to ship the grain is one of the feasible plans. However, the details, including (?units sending the aid), will have to be worked out.

Furthermore, as for reports of Ukrainian officials expressing hope that Taiwan would provide economic assistance to victims of the explosion at the Chernobyl nuclear power plant, the initial response of the official was that there is a greater likelihood that the Ukraine will be included in the International Economic Cooperation Fund, like the three Baltic states. But help for victims is generally regarded as humanitarian aid and is different from loans for economic development. Therefore, this will have to be discussed by the working group for Soviet affairs. If the Ukraine responds positively to the issue of establishing long-term ties with Taiwan, giving aid to Ukraine is only a matter of time.

According to related reports, Ukrainian officials said that the establishment of ties with Taiwan would be based on the principle of not offending the Mainland. With such reservations, the establishment of ties between the two sides, including that of economic aid, is likely to take time. [end recording]

KMT Members To Attend Russia Party Convention

OW0612092991 Taipei CNA in English 0804 GMT 6 Dec 91

[Text] Taipei, Dec. 6 (CNA)—Ming Chi, director of Chinese Culture University's Graduate Institute of Russian Language and Literature, and Wang Chien-ming,

vice general manager of the Cheng Chung Book Company Ltd., left for the Soviet Union Friday to attend a convention of Democratic Party of Russia.

President Li Teng-hui, in his capacity of KMT [Kuomintang] chairman, sent the two KMT members to attend the meeting to be held Dec. 7-8. Nikolay Travkin, chairman of the Russian party, will preside over the session.

In addition to attending the meeting, Ming and Wang will call on the leaders of other Soviet political parties in order to boost relations between the KMT and those parties. They will also visit cultural and educational organizations in the Soviet Union.

The Democratic Party of Russia was founded two years ago and now has about 100,000 members.

Ming and Wang will return home Dec. 15.

Canadian Trade Official Arrives for Seminar

*OW0612092891 Taipei CNA in English 0809 GMT
6 Dec 91*

[Text] Taipei, Dec. 6 (CNA)—A Canadian trade mission led by Roger Ferland, director of the International Trade and Industry Department of the Canadian Foreign Ministry arrived in Taipei Thursday.

Ferland is the highest ranking Canadian official to visit the Republic of China [ROC] in two decades.

The delegation is to take part in a seminar on ROC-Canada relations Friday and Saturday at the Taipei World Trade Center.

According to official Canadian statistics, January-September trade between Canada and the Republic of China showed an 8.4 percent increase.

The expansion came after a two-year stagnation during which trade between the two countries either levelled off or dropped after a decade of rapid growth.

Canadian exports to Taiwan in the first three quarters of this year increased 34.6 percent to 761 million Canadian dollars (U.S.\$631 million) while imports from Taiwan remained nearly unchanged (dropped 0.4 percent) at 1,660 million Canadian dollars (U.S.\$1.463 million).

The two-way trade totalled 2,421 million Canadian dollars (U.S.\$2.135 million), an 8.4 percent increase over the corresponding period of 1990.

Canada's perennial trade deficit with Taiwan saw a significant reduction, to 898 million Canadian dollars

(U.S.\$792 million U.S. dlr) in 1990 from 1.1 billion Canadian dollars of the previous year.

Chien To Attend Upcoming Central American Summit

*OW0612091891 Taipei CNA in English 0721 GMT
6 Dec 91*

[Text] Taipei, Dec. 6 (CNA)—Foreign Minister Chien Fu [Frederick Chien] will lead a Republic of China [ROC] delegation to attend the 11th summit meeting of Central American presidents Dec. 10.

A CNA report from Panama said seven Central American presidents will focus discussions on social affairs during their Dec. 12-13 summit at Tegucigalpa, Honduras.

The presidents and foreign and economics ministers from Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Belize, and Panama will exchange views on the conference theme—development of human power, infancy and youth.

The Republic of China, Mexico, Venezuela, Colombia, and the Central American Bank have been invited to join the leaders of the seven countries in discussing matters of mutual concern and multi-lateral interest.

The ROC delegation will include ranking officials of the Ministry of Economic Affairs and the Central Bank of China.

Minister Chien will share the Republic of China's development experience with participating countries, and discuss the feasibility of pursuing cooperative programs.

Department Orders AIDS Tests Before Marriage

*OW0612093791 Taipei CNA in English 0819 GMT
6 Dec 91*

[Text] Taipei, Dec. 6 (CNA)—A test for the HIV virus will be part of the tests for men and women before they get married, and any one who wishes to get a clean bill of health can go to the 75 authorized hospitals across the country for free tests, the Department of Health (DOH) said Thursday.

Currently around 14,000 men and women have a package of pre-nuptial health tests made every year, and the department is planning to provide a 1,508 NT [new Taiwan] dollar subsidy for each test so human immunological deficiency virus (HIV), B type hepatitis and blood cell tests can be included.

DOH said that the number of HIV virus carriers continues to rise, and AIDS patients are no longer restricted to such high-risk groups as homosexuals, it is time for more active measures to be adopted to prevent the spread of the deadly disease.

Hong Kong

Editorials on Legco Rejection of Court Agreement

Council 'Cannot Be Ignored'

HK0612070391 Hong Kong SOUTH CHINA
MORNING POST in English 6 Dec 91 p 30

[Editorial: "Finding a Way Out of Appeal Court Impasse"]

[Text] The Legislative Council [Legco] on Wednesday night sent out an emphatic message to the Chinese and British governments that their agreement on the Court of Final Appeal for Hong Kong is not acceptable. The vote by a three to one margin rejecting the Sino-British accord showed that it is more than just a technical complaint by a bunch of querulous lawyers. Hong Kong, through its partly-elected legislature, is registering its objection to being presented with another *fait accompli* by London and Beijing. The legislators insist that Hong Kong should have a more flexible arrangement in its selection of appeal court judges, rather than limiting the number of overseas candidates to one. Instead of being steamrollered by governments in London, Beijing and Hong Kong to accept the inevitability of the situation, with all that it implies for promises for an independent judiciary after 1997, they are saying that it might be better to continue to refer cases to the Privy Council in London right up to June 30, 1997.

That would leave a poison pill at the heart of the triangular relationship that would be far from welcome with the business community, which would want nothing to upset the underlying trend towards closer links with the mainland, especially its southern provinces. There is certain to be pressure applied to legislators before the issue comes to a vote again next year, in the hope of watering down resistance, but the size of Wednesday's majority suggests that is unlikely. In that circumstance Britain cannot afford to be seen to be forcing through legislation against the will of the Hong Kong legislature. The matter would have to be shelved, in the vague hope that more liberal attitudes will eventually prevail in Beijing, paving the way for the agreement to be re-examined.

That must rate as an extremely remote prospect, and whether or how China makes reforms over the next six years is completely out of Hong Kong's control. The territory needs to have a Court of Final Appeal in place by 1993 so that it can have four years to establish its credentials, and iron out any wrinkles before the territory severs its constitutional ties to Britain. An independent judiciary was supposed to be one of the foundations of the Joint Declaration guaranteeing Hong Kong's future, and safeguarding overseas business confidence. Another prolonged period of uncertainty would be very bad for the territory.

There is, however, a way out of the impasse which Hong Kong can chart itself, without any constitutional change. Instead of trying more backdoor political manoeuvres,

the Hong Kong Government can strengthen the territory's judiciary. Accepting that localisation of the judiciary has been a failure to date, especially at High Court level, Hong Kong should invite the most eminent judges available from other Common Law jurisdictions to serve on the bench for the next six years, preferably longer. Not only would Hong Kong's judicial system benefit from their presence, but they could strengthen the pool of talent from which Hong Kong could choose candidates to sit on a Court of Final Appeal. Overseas expertise would therefore be injected into the system, without an argument over how many judges from other countries should be invited to sit in the appeal court. Since it would be a domestic decision, it would be entirely within Hong Kong's right to make it, and does not require approval by either China or Britain.

Although the Legislative Council may well have hit a brick wall in its invitation for Britain and China to rethink the arrangements, there is a silver lining in the episode. In the past it was dismissed as a toothless talk shop, but Wednesday's vote shows that it cannot be ignored. What the two governments have learned from the historic vote is they can no longer count on a docile assembly.

Hong Kong has changed substantially since the Joint Liaison Group [JLG] started its work in 1985. Gone are the days when the local Government could push legislation through the council with a guaranteed majority. In the same way that the Hong Kong Government has warned its policy secretaries that they must persuade legislators of the wisdom of their programmes before they go to a vote, the JLG must also take care to sound out local opinion before reaching agreements behind closed doors. That way they can avoid unnecessary and unhealthy confrontations of this kind.

Legco 'Only Making a Show'

HK0612065291 Hong Kong WEN WEI PO
in Chinese 6 Dec 91 p 2

[Editorial: "Simon Ip Motion Does Not Conform to Hong Kong People's Interests"]

[Text] The Hong Kong Legislative Council [Legco] voted in favor of Simon Ip's motion opposed to the Sino-British agreement on the Court of Final Appeal. This is the inevitable outcome of deliberate efforts to quickly change the political system. The legislators who voted for the motion have nothing but the short-term interests of their political groups in mind and never considered Hong Kong's smooth transition and overall interests. Their debate indicated that some legislators were only making a "show," making lavish speeches, wantonly using their power, and interfering in decisionmaking; they do not have to take responsibility. The administration will eventually take the blame, while Hong Kong people will pay a price for them.

In less than five and a half years, the Hong Kong Special Administrative Region [SAR] will be established. The Sino-British Joint Declaration established procedures

for the transfer of power, stipulating that the Chinese and British Governments are to hold consultations in the form of the Joint Liaison Group [JLG] to solve problems so as to realize the joint declaration and a smooth transition. Simon Ip Sik-on's motion did not support friendly Sino-British cooperation, nor arrangements for the transition period; on the contrary, it was an intervention in the form of Legco and a demand for Sino-British confrontation. This will inevitably jeopardize the JLG's work progress and cooperative atmosphere and at the same time create destabilizing factors against a smooth transition.

Hong Kong's final appeal court has always been the Privy Council in Britain. The Sino-British Joint Declaration stipulated that the Court of Final Appeal will be in Hong Kong after 1997 to embody China's resumption of sovereignty and the principle of Hong Kong people ruling Hong Kong. If the final appeal court is still in London on 30 June 1997 and is moved to Hong Kong in one night along with the change in government, it would certainly be a very big change. For the sake of a smooth transition, China and Britain cooperated in moving the final appeal court to Hong Kong before 1997 to show investors from various countries that the judicial operations were evolving in an orderly manner and that there will be no need to make changes in 1997. This is a major thing which will help Hong Kong's prosperity and stability, as well as conforming to Hong Kong people's highest interests.

The adoption of the Simon Ip motion can only complicate the issue and cause trouble. During the debate, someone preferred "flexibility" with a high proportion of overseas judges to the establishment of the Court of Final Appeal before 1997 and said he would not vote for the Court of Final Appeal plan prepared by the Hong Kong Government. Being swayed by personal feelings in such a way shows a lack consideration for Hong Kong people's interests, and the qualities they showed in handling the matter and their sense of responsibility will not win people's praise.

What is Simon Ip's motion fighting for? It fights for the ratio of overseas judges and their interests. The Sino-British Joint Declaration has already stated that Hong Kong people will rule Hong Kong after 1997, and all the paragraphs of the articles stress Hong Kong people as the mainstay for ruling Hong Kong; therefore, the mainstay of the judges of the Court of Final Appeal will also be Hong Kong people, and this is totally in accordance with the provisions of the Sino-British Joint Declaration and the Basic Law. The legislators who voted for Simon Ip's motion exaggerated the proportion and importance of overseas judges, and this proves precisely that they negate the ability of local judges and the principle of Hong Kong people ruling Hong Kong. The executive branch and legislature of the SAR will have Hong Kong people as the mainstay, so why cannot the judges of the Court of Final Appeal have Hong Kong people as the mainstay? The Joint Declaration and the Basic Law stipulate that overseas judges may be invited "when deemed necessary," and this means that they will be invited only

when necessary and not when it is unnecessary. The Court of Final Appeal, which will have Hong Kong people as the mainstay, cannot let invited overseas judges play host instead of being guests. Flexibility is not unlimited. We must ensure that Hong Kong people are the mainstay of the Court of Final Appeal and prevent the power of final adjudication from being submitted to foreigner. The Sino-British agreement on the Court of Final Appeal embodies the spirit of matching with the Basic Law. It is very important for the Court of Final Appeal to have continuity and stability so that it can be practiced for a period and then beyond 1997. Naturally, this will boost confidence among investors. If you say that if there are not enough overseas judges investors will not have confidence, then, would it not also be true that the SAR can only survive when the posts of chief executive, secretary-level officials, and most legislators are filled by foreigners? This is a logic which hurts the Hong Kong people's ambition and cannot withstand reason.

Those who supported the Simon Ip motion might want to block the establishment of the Court of Final Appeal. If they do so, the Hong Kong people's interests will be hurt and those legislators who think they are clever will be criticized by the Hong Kong people.

The agreement on the Court of Final Appeal reached between China and Britain cannot be amended, and Legco has no legal and constitutional status to intervene. If we study a bit of international law and Hong Kong's constitutional documents, we will see who is not doing things in accordance with the law.

The British side has reached an agreement with the Chinese side on the Court of Final Appeal, and it should have the ability to fulfill the agreement. In fact, Hong Kong's constitutional system ensures the procedures and operational principles for Britain to fulfill diplomatic agreements. Article 26 of the "Letters Patent" [huang shi xun ling 4106 1358 6064 0109] stipulates that Legco cannot formulate motions which contradict British diplomatic treaties and agreements and that in accordance with the law, Britain may veto any Legco decisions. Therefore, when Legco is out of control to the extent that Britain is politically ignored and is becoming a lame duck, Britain must clear up the mess. It should examine the reasons why it cannot rely on its own constitutional system to rule Hong Kong and cannot even rule the members of the two councils appointed by itself. This kind of difficult situation is the first it has met in 150 years. Whoever started the trouble should end it, and the British Government should have the means to show its ability to rule Hong Kong.

UK Businessmen Say 'Confidence Is Increasing'

OW0612095791 Beijing XINHUA in English
0645 GMT 6 Dec 91

[Text] Hong Kong, December 6 (XINHUA)—A high-powered British business group left here earlier this week impressed that business confidence is increasing in Hong Kong, despite problems with inflation and U.S.-China relations.

A news release by the Trade Development Council (TDC) also said the British visitors felt that establishing Hong Kong firmly as the region's distribution headquarters would well outweigh any possible reduction in its role as a manufacturer.

The nine-member group included Ian Hay Davison, former Hong Kong Stock Exchange reformer and chairman of the Storehouse Group, Michael Kidd, executive chairman of garment manufacturer and trader Albert Martin Holdings and John Shannon, managing director of Country Casuals Ltd.

During their week-long mission, they visited a range of Hong Kong factories and businesses and spent a day in Shenzhen.

TDC release said that members of the group noted that the open policy pursued by China has brought into further display the economic operation of Hong Kong. They believed that China would continue its open policy and therefore no drastic change would take place in the territory after 1997.

George Foster, a director of retailing firm Allders Department Stores Ltd, said he had established a new buying office here during the week and he was enthusiastic about the territory.

"It appears to me that Hong Kong's future lies in sourcing, finance and distribution," he said. "It continues to be the 'capital' of Southeast Asia".

John Mallett, merchandise director of Associated Independent Stores, the largest non-food buying group in UK, was struck by Hong Kong's "enthusiasm backed by ability".

But he warned that issues such as pollution and the environment should be tackled now, rather than waiting until they were thrust into Hong Kong's consciousness.

Robin Millard, managing director of leading British specialist civil engineering firm Simon-Hartley Ltd, said Hong Kong should emphasize its engineering excellence as was being made apparent with the new port and airport development.

Millard also felt environmental problems could be overcome much more cheaply by tackling them at the start of a project rather than leaving them until they surfaced afterwards.

"It's the same all over the world," he said. "Everyone takes it for granted that the environment is 'free' but of course it is not," he added.

Macao

Basic Law Drafting Committee Solicits Opinions

OW0512233391 Beijing XINHUA in English
1428 GMT 5 Dec 91

[Text] Fuzhou, December 5 (XINHUA)—The Committee for Drafting the Basic Law of the Macao Special Administrative Region of China opened a seminar here today to solicit opinions on the draft Basic Law.

Meanwhile, the committee also opened five group meetings on special topics and a meeting of the committee for the appraisal of the Macao Special Administrative Region's flag and emblem.

Present at today's opening of the five-day seminar were Lu Ping, secretary general of the Committee for Drafting the Basic Law of the Macao Special Administrative Region, Li Hou, vice-chairman of the committee, and officials from the Law Committee under the National People's Congress, the Standing Committee of the National People's Congress, and officials from Fujian's relevant government departments.

Lu Ping, also director of the Hong Kong and Macao Affairs Office under the State Council, explained the background to the drafting of the Basic Law, and officials from Fujian government departments, the Chinese Academy of Social Sciences and the Chinese Law Society also gave their opinions.

The draft was first issued July 13, 1991. It is expected to be adopted at the committee's eighth meeting next March, and is expected to be submitted to the Standing Committee of the National People's Congress for examination and approval. The Draft Law is expected to be submitted to the National People's Congress for appraisal in 1993.

END OF

FICHE

DATE FILMED

11 Dec 91

